





# ***Daily Report***

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## **China**

FBIS-CHI-91-128  
Wednesday  
3 July 1991

# Daily Report

## China

FBIS-CHI-91-128

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3 July 1991

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Official Confirms Rapid Reaction Force Plans

OW0207224491 Beijing XINHUA in English  
2111 GMT 2 Jul 91

[Text] Ankara, July 2 (XINHUA)—The allies, including Turkey, are approaching an agreement for the establishment of a rapid reaction force based in southeast Turkey to protect the Iraqi Kurds and prevent another refugee influx, a high-ranking U.S. official said here today.

Paul Wolfowitz, U.S. undersecretary of defense, at a press conference following his five days of talks in Turkey, appeared confident that Turkey, like the other allied countries, would consent to the idea of establishing the rapid reaction force, known as "Poised Hammer."

Ankara has so far refrained from publicly declaring its consent, but maintained a weighing-disadvantages-against-advantages attitude toward the issue. The delay in the decision is said to be partly due to the recent change in the cabinet.

Turkey has also been pressured by some neighboring countries, particularly the Soviet Union, not to approve the stationing of the rapid reaction force on its territory.

Soviet diplomatic sources noted that the approval, if given, would set a precedent for "a police force which could intervene in domestic unrest in a country."

A Turkish Government source said that the declaration of Ankara's stance on the rapid reaction force was "one of the top issues after the new cabinet receives its vote of confidence" on July 5.

Government sources note that there are divergent views in political and diplomatic circles regarding the rapid reaction forces on Turkish territory.

Wolfowitz, however, denied that there had been "great controversies" regarding the allies' consent to the force, but only "ironing out of differences."

He said that he would stop in Britain on his way back to the United States for consultations on the rapid reaction force.

Wolfowitz gave no details on the size, exact location and timing for the force, except to say that the U.S. and its allies "were trying to get together as rapidly as possible."

He also emphasized that the force would be "a deterrent force, not a police force."

The Western countries are under mounting pressures at home to withdraw from the Middle East, while the Kurds and some of the allies argue that the Kurds are not yet safe.

### NATO Chief Affirms Transatlantic World Order

OW0207233291 Beijing XINHUA in English  
2138 GMT 2 Jul 91

[Text] Brussels, July 2 (XINHUA)—The top NATO official said today that the new international order can only be built around the transatlantic axis and a new European security architecture depends its security on the backing of the transatlantic alliance.

NATO Secretary General Manfred Woerner, who addressed an inter-parliamentary conference organized by the group of peoples' party within the European Parliament, said "the stability of this globe depends on the stability of our transatlantic relationship."

He noted that the world is at a historic phase marked by all kinds of uncertainties and instabilities.

"In the world of today and tomorrow," he said, "the transatlantic relationship is decisive both as a stabilizing factor and as an agent of change."

On relations within the transatlantic alliance, he said "neither the emerging European political union nor the West European Union (WEU) will have for some considerable time an operational defence capability able to be deployed without the United States assistance."

"It is only natural that the achievement of a more equal partnership between Europe and the United States," he added. [sentence as received]

In terms of responsibility sharing and co-decision, the NATO secretary general said, there "should be a central element in NATO's transformation."

However, he rejected suggestions that NATO should await the outcome of the debate on security and defence in the European Community before proceeding with its transformation.

### End to Former E. Europe Leaders' Persecution Urged

OW0207165091 Beijing XINHUA in English  
1517 GMT 2 Jul 91

[Text] Moscow, July 2 (XINHUA)—The Soviet Parliament has appealed to East European countries and the German Parliament to take effective steps to stop the persecution of former leaders and others in previous governments.

Soviet TASS NEWS AGENCY today reported the statement issued by the Soviet Parliament on Monday.

It said that leaders of some central and East European countries have ignored their earlier promises and are stepping up persecution of former leaders, party cadres, personnel of law-enforcement departments and intellectuals. Some have even been brought to court.

All the acts of persecution obviously have political motives and are for retaliation, the statement asserted.

These acts run counter to the norms of life in any civilized society, and are direct violations of human rights, the statement said.

### United States & Canada

#### U.S. Commerce Department Cited on Debt Problem

OW0207224291 Beijing XINHUA in English  
2120 GMT 2 Jul 91

[Text] Washington, July 2 (XINHUA)—The United States was the world's largest debtor country in 1990, with its balance sheet with the rest of the world totaling at least 360.6 billion dollars, the government reported today.

The Commerce Department said that America's net debtor position, when valued at current stock market prices, deteriorated by 34.7 percent last year, rising to 360.6 billion dollars.

The figure reflects the difference between what Americans own overseas and what foreigners own in the United States.

The new debt figure compared to a net debt of 267.71 billion dollars at the end of 1989.

The change occurred as American holdings overseas actually declined by 3.3 percent to 1.88 trillion dollars, while foreign holdings in the U.S. rose 1.3 percent to 2.24 trillion dollars. The difference between those two figures is the net debtor position of the country.

All of these figures reflect a new method the government introduced this year to value foreign holdings using stock market prices as a guide. In the past, U.S. and foreign assets were valued at their historical purchase prices.

Many economists said the old method undervalues U.S. overseas investments, which were made largely in the 1950s and 1960s. Although most of the property has increased in value since then, the gains were not counted in the traditional calculation.

Foreign investment in the United States, on the other hand, surged in the 1980s and is closer to its current value, which further skews the figures.

The U.S. Government actually introduced two new methods of valuing assets this year.

In addition to using stock market prices as a guide, another method makes estimates on the current replacement costs of the assets.

Under that method, the government put America's net debtor position at a larger negative of 412.2 billion dollars last year. However, that figure represented a slight improvement from a net debt position of 439.66 billion dollars at the end of 1989.

The Commerce Department said that stock market prices both in the U.S. and abroad and changes in the

dollar and other currency values accounted for the discrepancy in movements of the two figures.

Both measurements show a significantly lower net debtor number than the old accounting method, which put the net debtor position at the end of 1989 at 663.75 billion dollars. The department did not provide an official calculation this year of the country's net debtor standing using the old historical cost method.

Analysts said the U.S. plunge from the world's largest creditor to the largest debtor was caused by the huge merchandise trade deficits of the 1980s as Americans transferred billions of dollars to foreigners to pay for imported cars, TV sets and other goods.

The significance of the figures is being hotly debated among economists. Some argue that the figures simply show that the U.S. is a good place to invest in and that international capital markets are functioning properly in sending money to the United States.

But others contend that the U.S. investment position shows that the nation is no longer competitive in world markets and has mortgaged its future to foreigners.

Today's report also showed that Britain retained the No. 1 ranking as the largest foreign direct investor in the United States, with holdings of 108.06 billion dollars. However, that was only a 2.4 percent increase from 1989.

By contrast, direct holdings by Japan in the United States jumped by 24 percent to 83.5 billion dollars as the Japanese strengthened their hold on the No. 2 position.

### Soviet Union

#### Further on Jiang-Polozkov Meeting

HK0307085791 Beijing RENMIN RIBAO in Chinese  
30 Jun 91 p 1

["Dispatch" by reporter Gu Yuqing (7357 3768 3237): "Jiang Zemin Meets CPSU Delegation"]

[Text] Jiang Zemin, general secretary of the CPC Central Committee, met with the CPSU delegation headed by Polozkov, a member of the CPSU Central Committee Political Bureau and first secretary of the Federal Russian Communist Party Central Committee, at Zhongnanhai today. During the meeting, he said: The development of friendly and good neighborly ties between China and the Soviet Union is in the interest of world peace and stability.

Jiang Zemin recalled: More than a month ago, I visited the Soviet Union, bringing with me the Chinese people's friendly sentiments for the people of the Soviet Union, and my visit was a success. He added: The development of friendly and good neighborly ties between China and the Soviet Union is in the interest of world peace and stability. Since the Russian Federation, which borders



our country, is the Soviet Union's largest republic, strengthening ties with it will have an important effect on the development of friendly relations between China and the Soviet Union.

General Secretary Jiang also spoke on how the CPC has led the Chinese people in revolution and economic construction over the past 70 years. He said: In the course of our economic construction, we have upheld reform and the opening up to the outside world as well as kept to the socialist direction. Our reform is a self-perfection of the socialist system. Simultaneously with the economic restructuring, China also is carrying out political reforms, strengthening socialist democracy and the socialist legal system, and stepping up and perfecting the system of multiparty cooperation and political consultation under CPC leadership.

Meanwhile, Polozkov said: This visit has left a deep impression on the delegation. He expressed the belief that the friendly relations between the Communist Parties of the Soviet Union and China, as well as the great friendship between the two peoples, will continue to grow. Polozkov also conveyed the greetings of Gorbachev and other Soviet party and state leaders to General Secretary Jiang Zemin. On his part, General Jiang Zemin also asked the CPSU delegation to extend his greetings to Gorbachev and the other Soviet leaders on their return home. Also present at the meeting was Zhu Liang, director of the Central Liaison Department.

#### **All-Union Democratic Coalition Urged in Moscow**

OW0207233391 Beijing XINHUA in English  
2142 GMT 2 Jun 91

[Text] Moscow, July 2 (XINHUA)—Leaders of the "Movement for Democratic Reforms" in the Soviet Union today supported creating a broad, all-union coalition in support of democratic reforms.

Several leaders of the "Movement for Democratic Reforms" today said on their own behalf that they favored creating a nationwide party. But organizers said the movement plans to hold a founding conference in September to draft the charter and program and decide whether or not to turn it into a party.

At a news conference held by the movement today, former Soviet Foreign Minister Eduard Shevardnadze said the movement had two main goals: Saving "democracy" and ensuring "sustained radical reform" in political and economic fields as well as "removing the threat of dictatorship and return to the totalitarian regime."

He said at the first stage, all parties and organizations that share these common goals are invited to take part in the movement, and anyone who shares these goals can join the movement. Its membership does not necessitate quitting membership of any party.

"NEZAVISIMAYA GAZETA" (INDEPENDENT NEWSPAPER) today published excerpts from an address by the organising committee of the Movement for Democratic Reforms.

The address was signed by Aleksandr Yakovlev, former member of the Politburo of the Soviet Communist Party Central Committee and now senior adviser of the Soviet president, former Soviet Foreign Minister Eduard Shevardnadze, former chief of a department of the Soviet Communist Party Central Committee Arkadiy Volskiy, mayors of Moscow and Leningrad Gavril Popov and Anatoliy Sobchak, head of the Russian Government Ivan Silayev, Russian Vice-President and leader of Communists for Democracy Group in the Russian parliament Aleksander Rutskoy and radical economists Stanislav Shatalin and Nikolay Petrakov.

According to the address, the movement "declares for man's spiritual, economic and political freedom, social and economic protection, for a parliamentary republic, law and order."

The movement favours "radically transforming the economy, encouraging competition and equal opportunities and enabling citizens of the country to own property and benefit from the results of their work."

The movement declares for national cooperation, for preserving the Soviet state "as a union of free and sovereign peoples."

The movement condemns and rejects "any forms of national extremism, chauvinism and racism."

The address suggests that an organising committee be set up to prepare for the constituent conference by mid-September 1991. The constituent conference will decide which form the movement will adopt.

#### **Northeast Asia**

##### **More on Kim Il-song's Meetings With Delegations**

OW0207114691 Beijing XINHUA Domestic Service  
in Chinese 1205 GMT 1 July 91

[By reporter Zhang Jinfang (1728 6930 5364)]

[Text] Pyongyang, 1 July (XINHUA)—Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea [WPK] and state president, met outside Pyongyang today a delegation of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], headed by Qian Zhengying, vice chairman of the CPPCC National Committee; a CPC goodwill visiting group headed by Yin Kesheng, secretary of Qinghai provincial party committee; and a goodwill visiting delegation of the Chinese People's Liberation Army, headed by Shi Yuxiao, political commissar of the Nanjing Military Region.

Kim Il-song held very cordial and friendly talks with the three delegations. On behalf of the WPK Central Committee and the Korean Government, he warmly congratulated CPC on its 70th founding anniversary. He said: I am very happy and honored, as well, to commemorate today the 70th founding anniversary of the CPC with you comrades.

He said: "In the past 70 years, the CPC achieved tremendous successes through arduous struggles, and by promoting revolutionary traditions. We are very glad that China has such a party."

Kim Il-song said: I would like to use this opportunity to convey cordial greetings to the CPC's older generation of proletarian revolutionaries: Deng Xiaoping, Chen Yun, Li Xiannian, and Deng Yingchao, as well as to Jiang Zemin, Yang Shangkun, Li Peng, and Wan Li. At the same time, please convey cordial greetings from all WPK members to all CPC members.

He said emphatically: Although at present, international situations are complicated, relations between the Korean and Chinese parties are very close. With both the Korean and Chinese parties united, we will be able to defend and develop socialism. We should strengthen party leadership and make a better job of socialist construction.

History will prove that we have taken the correct path.

Present at the meeting were Choe Kwang, member of the Politburo of the WPK Central Committee and chief of the General Staff of the Korean People's Army; Yo Yong-ku, vice chairman of the Standing Committee of the Supreme People's Assembly and member of the Presidium of the Democratic Front for the Reunification of the Fatherland; Kwon Min-chun, deputy director of the WPK Central Committee's International Department; and PRC ambassador to Korea Zheng Yi.

### WPK Party School Delegation Visits Nanjing

OW0207135291 Nanjing XINHUA RIBAO in Chinese  
26 Jun 91 p 1

["WPK's Kim Il-song Higher Party School Delegation Arrives in Nanjing for Visit" by XINHUA RIBAO Reporter Li Shaobin (2621 4801 2430)]

[Text] The seven-member delegation of the Workers Party of Korea [WPK] Kim Il-song Higher Party School led by the Vice Principal U Tal-ho arrived in Nanjing on 24 June, accompanied by Wang Ruipu, member of the party committee and head of the Theoretical Department of the Central Party School. Hu Fuming, Standing Committee member of the provincial party committee and principal of the provincial party school; Sun Chao, vice principal of the provincial party school; Chen Yaode, chief education officer of the provincial party school; and Lu Sujie, deputy director of the provincial foreign affairs office, were at the airport to welcome the guests.

On the same evening, Cao Keming, deputy secretary of the provincial party committee, and Hu Fuming, Standing Committee member of the provincial party committee, met with and hosted a banquet for all the members of the delegation at the Shuangmenlou Guesthouse. The two sides recalled the militant friendship between the peoples of China and Korea which has been cemented with blood. Both sides firmly indicated that regardless of changes in the international situation, the parties and peoples of the two countries will press ahead along the socialist road. Comrade Cao Keming also briefed the visitors on the situation of socialist construction in Jiangsu.

The delegation will leave Nanjing today for Hangzhou.

### Qiao Shi Meets Delegation

OW0207123191 Beijing XINHUA in English  
1201 GMT 2 Jul 91

[Text] Beijing, July 2 (XINHUA)—Qiao Shi, president of the Party School of the Central Committee of the Chinese Communist Party (CPC), met here this afternoon with a delegation from Kim Il-song Party Academy of the Workers' Party of Korea.

Qiao, also member of the Standing Committee of the Political Bureau of the CPC Central Committee, expressed his warm welcome to the delegation's visit to China at a time when China is celebrating the CPC's 70th birthday.

He said that the visit would be conducive to the exchange of experiences between the two party schools and to the further development of the friendly relations between the two parties and the two countries.

The Korean delegation, led by U Tal-ho, deputy president of the Korean Party School, was invited to visit China by the Party School of the CPC Central Committee.

### Mongolia To Reduce 1991 State Budget

OW0207165191 Beijing XINHUA in English  
1226 GMT 2 Jul 91

[Text] Ulaanbaatar, July 2 (XINHUA)—The Mongolian Government has decided to revise its 1991 state budget by cutting it by 30 percent, to a planned revenue of 3.26 billion tugrik (81.5 million U.S. dollars) and an expenditure of 4.99 billion tugrik (125 million dollars).

The Mongolian newspaper, PEOPLE'S RIGHT, reported that the decision was made by the government last week.

The decision stressed the need to practise frugality, reducing by five percent expenditure on electricity and heating, 20 percent on fuel and oil consumption, and 10 percent on state administrative expenditures.

The state revenue and expenditure in 1989 were 6.9 billion tugrik (172 million dollars) and 7.6 billion tugrik (176.5 million dollars) respectively.

Because of a massive cut in foreign aid, worsening social unrest, a reported declining sense of responsibility by workers and a shortage of spare parts and raw materials, the country's economy is in a deep crisis.

During the first five months of this year, the country lost 167,200 head of cattle more than the same period last year. The value of industrial production was cut by 10 percent. Construction declined 38 percent; foreign trade went down by 54.2 percent and the state budget deficit swelled greatly.

All this has forced the government to amend the budget.

#### **Benefits of NE Asia Economic Cooperation Noted**

OW0307093091 Beijing XINHUA in English  
0751 GMT 3 Jul 91

[Text] Beijing, July 3 (XINHUA)—Strengthening economic co-operation in northeast Asia will be beneficial to all countries in the region, according to Chinese experts.

The experts held that it is imperative to set up a Northeast Asian economic sphere under the present circumstances, the "CHINA NEWS SERVICE" reported.

The Northeast Asian economic sphere would involve China and its neighbors—Mongolia, the Soviet Union, Japan, the Democratic People's Republic of Korea and South Korea.

China founded a Northeast Asia research center in Changchun City, Jilin Province, in northeast China in September 1988, with nearly 200 specialists and experts.

Chen Longshan, deputy secretary-general of the center, said that it has sponsored an academic magazine called "NORTHEAST ASIA STUDIES", and organized several symposiums.

Chen said that Chinese experts are optimistic about the prospects for economic co-operation in the region.

He said such co-operation is mutually complementary in developing technology and natural resources.

Japan and South Korea have shown especial interest in setting up such an economic co-operation sphere and have already, like China, set up institutes to carry out research in the field.

Meanwhile, industrialists from Japan and South Korea have invested in joint ventures in the Soviet Union and northeast China.

#### **Notes Signed on Japanese Aid for 5 Projects**

OW0207132991 Beijing XINHUA Domestic Service  
in Chinese 0732 GMT 1 Jul 91

[Text] Beijing, 1 Jul (XINHUA)—A ceremony for signing and exchanging notes on free aid from the Japanese Government to the Chinese Government in connection with five projects was held in Beijing this morning. Shen Jueren, vice minister of foreign economic relations and trade, and Yoshinao Ara, charge d'affaires ad interim at the Japanese Embassy in China, signed the notes on behalf of their respective governments.

It is understood that the amount of aid for the five projects totals 14.7 billion yen (equivalent to \$105.8 million). The projects include the Sino-Japanese Friendship Center for Environmental Protection, the Research and Display Center for Preserved Cultural Relics from the Dunhuang Grottoes, Wuling University in Hunan, farm irrigation works in northern Hubei Province, and equipment for the second-stage project of the Changchun Water Purification Plant. The Sino-Japanese Friendship Center for Environmental Protection, with a total amount of 10.2 billion yen, is a cooperative venture agreed upon between then-Japanese Prime Minister Noboru Takeshita and Premier Li Peng when the former visited China in 1988.

#### **Southeast Asia & Pacific**

#### **Note Taken of SRV Normalization Overtures**

HK0307072591 Hong Kong AFP in English 0705 GMT  
3 Jul 91

[Text] Beijing, July 3 (AFP) - China responded to a Vietnamese overture for normalization by saying Wednesday it hoped for conditions conducive to improved relations.

"We have taken note of the positive aspirations for normalizing relations with China," a Foreign Ministry spokesman said.

"We hope that the development of the situation will be conducive to the improvement of Sino-Vietnamese relations."

Hanoi said Monday it wanted swift normalization of bilateral relations for the "fundamental and long-term interest" of the two sides.

The communist rulers of China and Vietnam have been at odds since 1978, when Hanoi invaded Cambodia to overthrow the Beijing-backed Khmer Rouge.

The two sides fought a brief border war over the Cambodian invasion in 1979.



Beijing now supports the Khmer Rouge-dominated resistance coalition fighting the Vietnamese-installed government in Cambodia, and it has set resolution of the Cambodian conflict as a condition for normal relations with Hanoi.

The Sino-Vietnamese normalization process was expected to pick up steam following last week's peace accord among the warring Cambodian factions.

### Roundup Studies Cambodian Political Settlement

OW0307113391 Beijing Central People's Radio  
Network in Mandarin 0430 GMT 2 Jul 91

["Roundup: Gratifying Results in Political Settlement to the Cambodian Issue"—from the "International News and Current Events" program]

[Text] The three-day meeting of the Supreme National Council (SNC) of Cambodia ended in Pnatthaya, a seaside city in Thailand, on 26 June. The meeting unanimously adopted a resolution and a final communique, according to which it was decided that the SNC's work groups will meet to discuss and study the drawing up of the SNC's constitution, an election law, as well as principles for Cambodia's new constitution.

For years the Cambodian issue has been the hot spot of world attention. The relevant sides of Cambodia have made sustained and unremitting efforts for the political settlement of this issue. The meeting's results can be attributed to the common efforts of the 12 members of the SNC and their flexible and concessive approach in dealing with the issue. The most important achievement of the SNC meeting is that an indefinite nationwide cease-fire is to be instituted beginning 24 June. UN Secretary General Perez de Cuellar issued a statement on 26 June welcoming the meeting's final communique on the implementation of an indefinite cease-fire and other matters.

Another achievement of the meeting is that all parties concerned acknowledge that the SNC of Cambodia is the highest organ of state power representing Cambodia's independence and unity, and that it is empowered to appoint ambassadors and representatives to foreign countries, world organizations, and all other international organizations, and to accept the credentials of foreign ambassadors to Cambodia. As the chairman of the SNC has not yet been determined, all its members have unanimously agreed that Samdech Sihanouk will be the presiding chairman and convener of future meetings of the SNC, and that Samdech Sihanouk will lead a Cambodian delegation to attend the next UN General Assembly.

At this meeting, all 12 members of the SNC also agreed unanimously that the headquarters of the SNC will be established in Phnom Penh. A statement of the SNC said that some guarantees are required in setting up the headquarters in Phnom Penh—living quarters for all members of the SNC should be provided in Phnom

Penh; they should be protected by relevant armed forces inside and outside the city; and permanent missions and representatives of relevant parties must be stationed in the SNC in Phnom Penh. They are the special representative of the UN secretary general, the cochairmen of the Paris International Conference on the Cambodian issue, missions or representatives of all countries that took part in the Paris International Conference on the Cambodian Issue, the five members of the Security Council, as well as the ASEAN countries.

Observers have pointed out that this is the first time that all members of the SNC have sat down together to discuss the question of a political settlement to the Cambodian issue. The gratifying results of the meeting constitute a good beginning for a comprehensive political solution to the Cambodian issue.

### Xu Dunxin Greets Sihanouk on Arrival in Beijing

OW0207120091 Beijing XINHUA in English  
1130 GMT 2 Jul 91

[Text] Beijing, July 2 (XINHUA)—Cambodian President Prince Norodom Sihanouk arrived here this afternoon with his wife after he presided over a meeting of the Supreme National Council of Cambodia held in Phatthaya, Thailand.

Meeting him at the airport were Chinese Vice-Foreign Minister Xu Dunxin, and diplomatic envoys from the Cambodian, Thai and French Embassies in Beijing.

### Lao Military Delegation Visits Nanjing

OW0207134891 Nanjing XINHUA RIBAO in Chinese  
26 June 91 p 1

["High-Level Military Delegation from Laos Visits Nanjing," by reporters Ma Xinmin (7456 2450 3046) and Qiao Jianping (0829 1696 1627)]

[Text] At noon yesterday, Lieutenant General Gu Hui, commander of the Nanjing Military Region, cordially met at the Jinling Hotel with a high-level military delegation led by Lieutenant General Choummali Saignason, first vice minister of national defense of the Lao People's Democratic Republic.

Present at the meeting were Zhang Zongde, chief of staff of the Nanjing Military Region; Lan Baojing, director of the region's Political Department; and Wang Tailan, director of its Logistics Department; as well as Zhan Maohai, deputy director of the Foreign Affairs Bureau of the Ministry of National Defense, who accompanied the delegation on its visit.

At the meeting, Commander Gu Hui said: Laos is a close neighbor of China. China and Laos are two countries linked by common mountains and rivers, and peoples of the two countries share an age-old traditional friendship. Lieutenant General Choummali's visit brings to us friendly feelings from the Lao people and army. We are very happy.



Lieutenant General Choummali said: We received a warm and solemn welcome in the Nanjing Military Region. This reflects the deep friendly feelings between the peoples and armies of the two countries: Laos and China. We are inspired; we learned many good experiences from the Chinese army through this visit. We congratulate you on your achievements.

Present at the meeting were Wang Hewen and Zhang Xiucui, concerned responsible persons of the Nanjing Military Region.

The high-level military delegation from Laos had arrived in Nanjing by plane from Beijing in the afternoon of 24 June.

The Lao guests left Nanjing to visit Guangzhou yesterday afternoon.

### Near East & South Asia

#### Charges of Iranian Nuclear Deal 'Denounced'

OW0207161391 Beijing XINHUA in English  
1552 GMT 2 Jul 91

[Text] Washington, July 2 (XINHUA)—A Chinese diplomat here has denounced a charge that China is negotiating with Iran on selling nuclear weapons technology for hard currency.

"China has struck no nuclear deals with Iran," said Chen Guoqiang, press counselor of the Chinese Embassy, in a letter published by THE WASHINGTON POST today.

Chen's letter was written in response to a recent article by U.S. columnists Rowland Evans and Robert Novak, who inferred that China is set on selling nuclear technology to Iran.

"This inference is preposterous," Chen said.

"China is a responsible member of the international community and does not advocate or encourage nuclear proliferation. Nor does it help other countries develop nuclear weapons," he said.

"As a member of the International Atomic Energy Agency, China abides by its principles and regulations," he said.

China supports the effort to turn the Middle East into a nuclear-weapons-free zone and a zone free from weapons of mass destruction, he said.

China also hopes that the Paris conference on arms control in the Middle East, which China will attend, "will produce positive results and a mechanism will be found to exercise necessary and appropriate control of the influx of arms into the Middle East," he adds.

#### Iraqi Nuclear Study Denied

HK0307094591 Hong Kong AFP in English 0926 GMT  
3 Jul 91

[Text] Beijing, July 3 (AFP)—China denied Wednesday having completed a feasibility study for an Iraqi nuclear power plant.

"This is absolutely not so," the Foreign Ministry here said of a report by a private U.S. group, the Nuclear Control Institute, that China had engaged in the 1984-1986 study. The group, citing previously classified U.S. intelligence documents, said China had finished the study although there was no evidence that it went ahead with either site selection or construction of the plant. But it said there were "unconfirmed reports of secret plutonium production."

China is the only nuclear weapons state that has yet to agree to sign the Nuclear Non-Proliferation Treaty. Beijing declared last week however that it did not "advocate, encourage or practice nuclear proliferation" and recently indicated that it would consider signing the treaty.

Separately, the ministry also said Wednesday that China had "all along maintained a serious, responsible and prudent attitude as regards international arms trade." It was responding to an announcement Monday by the U.S. State Department that Washington was probing China's missile sales to Pakistan to determine whether they violated world guidelines and whether sanctions were in line.

China and the United States were expected to meet early this month in Paris with the other three permanent members of the UN Security Council to discuss reducing arms sales to the Middle East. China pledged last week to cooperate in reducing such sales.

#### Li Peng Begins 6-Nation Mideast Tour

##### More on Beijing News Conference

HK0207083991 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0552 GMT 2 Jul 91

[Report by Li Wei (2621 0251): "Li Peng Says There Is No Plan for Any Meeting in Beidaihe This Summer"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 2 Jul (ZHONGGUO XINWEN SHE)—Chinese Premier Li Peng disclosed in explicit terms here this morning that China has no plan to call any meeting in Beidaihe this summer.

He made the above statement, upon his leaving Beijing for his tour of six Mideast countries, in response to a question raised by a DEUTSCHE PRESS-AGENTUR reporter. Li Peng replied to questions raised by four reporters during a 10-minute news conference.

A reporter asked: China is the only country that did not vote for the UN Security Council's resolution on the use of military force against Iraq. Now that some people in the United States again are calling for the use of military force to destroy Iraq's nuclear facilities, if the Security Council raises any resolution in this connection, will China veto it?

Li Peng said: China has been taking a clear-cut stand on the Gulf crisis. We are opposed to Iraq's aggression against Kuwait and we are in favor of a peaceful settlement of the crisis. As for your question on nuclear facilities, since the case has yet to be further clarified, for the time being it is hard for us to make any prediction on future development.

Answering a question raised by an American reporter, Li Peng said: China has friends all over the world. We are proud to say that China is one of the countries that has the most friends in the world. If there still are some countries that are somewhat discontent with or hostile to China, they are just a few; after all, the people in these few countries are very friendly with China. Some countries that have not quite understood China's policies now are seeking a deeper understanding of our country. So you now can see quite clearly the positive changes in the attitude of the governments of many countries.

Asked about whether he is going to present a proposal on the settlement of the Mideast issue during his mission, Li Peng said: The Middle East has suffered from the most protracted conflict since World War II. This conflict has caused great suffering to the people in this region. The Chinese Government supports all the efforts aimed at solving the Mideast issue, including consultations, dialogue, and any other initiatives, so long as they are conducive to the fair and reasonable settlement of the Mideast issue and are in the interest of the Mideast countries and peoples.

#### Arrival in Cairo

OW0207144391 Beijing XINHUA in English  
1425 GMT 2 Jul 91

[Text] Cairo, July 2 (XINHUA)—Chinese Premier Li Peng arrived here today on a five-day official and friendly visit to Egypt at the invitation of Egyptian President Hosni Mubarak.

Li Peng's on-going tour is the first by a head of the Chinese Government to the Middle East and Gulf since the end of the Gulf war.

He arrived at Cairo Airport at 15:45 (local time) this afternoon and was greeted by Egyptian Prime Minister 'Atif Sidqi.

A grand ceremony was held to welcome Li and his entourage.

Accompanied by Sidqi, Li reviewed a guard of honor of the Egyptian armed forces, after a playing of the Chinese and Egyptian national anthems.

During his stay in Cairo, Li will hold talks with President Mubarak and Prime Minister Sidqi on the latest developments in the Middle East, the international issues and bilateral relations.

Egypt was the first country in the Middle East and Africa to establish diplomatic relations with China.

Over the past 35 years, despite the changing international situation, the Sino-Egyptian friendly relations have kept growing with gradually broadened spheres of cooperation.

The trade volume between the two countries reached 90 million U.S. dollars in 1990.

Egypt is the first leg of Premier Li's six-nation Mideast and Gulf tour which will also take him to Jordan, Iran, Saudi Arabia, Syria and Kuwait.

Li's trip represents another important visit to the Middle East and Gulf by a senior Chinese leader after President Yang Shangkun toured the region in late 1989.

Chinese diplomatic sources said that the purpose of Premier Li's 13-day Middle East tour is to "promote mutual-understanding, deepen friendship and enhance cooperation with the developing countries."

Premier Li Peng is accompanied by his wife Zhu Lin, State Councillor and Foreign Minister Qian Qichen, Minister of Foreign Economic Relations and Trade Li Lanqing.

#### Arrival Statement Released

OW0207152391 Beijing XINHUA in English  
1501 GMT 2 Jul 91

[Text] Cairo, July 2 (XINHUA)—Chinese Premier Li Peng said here today that he hopes his visit will help expand Sino-Egyptian friendly relations and cooperation.

"I look forward to my amicable talks and meetings with their excellencies President Hosni Mubarak and Prime Minister 'Atif Sidqi and our exchanges of views on bilateral relations and major international issues of common concern," the Chinese premier said in a written statement released at the Cairo airport, upon arrival here this afternoon for a five-day official and friendly visit.

Li said, "both China and Egypt are countries with an ancient civilization. The Chinese and Egyptian peoples started their friendly contacts as early as over 2000 years ago, which contributed to the spread and interflow of human civilizations."

"In modern times," he said, "the two peoples have all along sympathized with and supported each other in their struggles against imperialism and colonialism, and for winning and preserving national independence."

"The 35 years of diplomatic ties have witnessed gratifying expansion of the friendly relations and cooperation

between the two countries, characterized by constant deepening of mutual understanding and continuous broadening of cooperation areas," he said.

"I am convinced that the consolidation and growth of Sino-Egyptian ties not only meet the fundamental interests and good wishes of the two countries and two peoples, but also contribute to world peace and development," he emphasized.

### **Tribute at Soldiers' Tomb**

OW0207190491 Beijing XINHUA in English  
1828 GMT 2 Jul 91

[Text] Cairo, July 2 (XINHUA)—Visiting Chinese Premier Li Peng today laid wreaths at the Egyptian unknown soldiers' grave and the tomb of the late President Anwar Sadat.

During the wreath-laying ceremony, Premier Li stood in silent tribute before the pyramidal grave as a band of honor played the national anthems of both countries.

The grave, situated in northeast Cairo, was built in 1975 in memory of those who died in the four Middle East wars.

Behind the grave is the tomb of Sadat who was assassinated in 1981 in Cairo while attending the anniversary celebrations marking the 1973 Middle East war against Israel.

Also present on the occasion were Chinese State Councillor and Foreign Minister Qian Qichen and Minister of Foreign Economic Relations and Trade Li Lanqing.

The Chinese premier arrived here early today for a five-day official goodwill visit to Egypt at the invitation of President Husni Mubarak.

Egypt is the first leg of Premier Li's six-nation Middle East tour which also includes Jordan, Iran, Saudi Arabia, Syria and Kuwait.

### **Mideast Peace Efforts, UN Role Examined**

HK0307111591 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 26, 1 Jul 91 p 3

[Article by Xu Mei (6079 2734): "Making Efforts for Peace in the Middle East: Commenting on Premier Li Peng's Visit to Six Middle East Countries"]

[Text] From 2 to 14 July, Premier Li Peng will visit Egypt, Jordan, Iran, Saudi Arabia, Syria, and Kuwait. This is the first visit to the Middle East by a top Chinese leader since the end of the Gulf war. It will positively impact on pushing forward the Middle East peace process and strengthening the friendly relations between China and Middle East countries and people.

As everyone is aware, the Gulf crisis and war has caused immense casualties as well as material and financial losses to Kuwait and other Gulf countries. Apart from

this, it has produced a serious negative impact on the relations between Middle East countries and the situations in some countries. Now the people in these countries are waging a hard struggle and making efforts to heal the wound caused by the war and to remove the aftermath of the war. This crisis and war indicates to the international community that this strategic and oil-producing region, which straddles Europe, Asia, and Africa, may face an explosive situation at any time if its major conflicts remain unresolved. This may eventually endanger world peace and stability. Therefore, since the end of the Gulf war, the people in the Middle East have wished for a settlement of Arab conflicts and the Palestinian issue. The international community is busy tackling these problems and is making efforts to form a peace institution for Middle East stability. The Chinese people have a prolonged and deep friendship with the Middle East people and are now contributing to the setting up of a peace institution in the Middle East to help realize their wish for peace. During his Middle East tour, Premier Li Peng will take with him the Chinese people's concern and support, and will hold discussions with Middle East leaders on how to find feasible ways and means of settling their problems.

Of course, it is not easy to resolve the conflicts and disputes between Arabs and Jews dating back some 40 years. This requires patience, sincerity, and mutual understanding between the relevant sides. In this respect, a fair and reasonable principle should be established under which both sides should accept UN Resolutions 242 and 338, the occupied Arab territories should be recovered, the Palestinian people should be allowed to restore their national rights, and the Israeli state's sovereignty and security should be respected and ensured. Arab states and Palestine have made a concession now, and have expressed their sincerity in accepting the principle of mutual recognition. The only obstacle is that Israel still refuses to withdraw from the occupied Arab territories for "security" reasons. It does not want to recognize the Palestinians' legitimate rights. As a matter of fact, in a state surrounded by Arab states, Jews can enjoy real security only when they live in peace with Arab states.

In addition, there is a need to discover all possible methods, including bilateral and multilateral dialogue and other means beneficial to a fair and reasonable settlement of disputes. The settlement of the Gulf crisis and the Afghan issue have proved that the United Nations remains an effective and authoritative organization in solving major regional conflicts. Without UN participation, it will be difficult to solve conflicts in the Middle East, as these conflicts involve various sides. An effective method of solving Arab-Israeli conflicts is to hold a UN-sponsored international meeting in which the five permanent members of the UN Security Council and other relevant sides will participate.

Confrontation between Arabs and Israel has lasted a long time; they have waged many wars and their hatred is deep-rooted. To bring about prolonged peace in the



Middle East, this confrontation must be relaxed and mutual trust must be established. Prior to the Gulf war, both sides already had large quantities of weapons. During the war, they purchased hi-tech weapons. Therefore, disarmament and arms control are quite necessary in order to preserve peace, particularly the banning and destruction of large-scale destructive weapons, like nuclear, biological, and chemical arms.

Amid the strong tide of international relaxation, we believe that the people of the Middle East will achieve their wish for peace. The Middle East, described as a "powder keg," will become a region of peace and prosperity. A situation will arise in which the people of the Middle East—Arabs, and Jews—will live in peace for common development.

### Sub-Saharan Africa

#### CPC Envoy Addresses ANC Conference in Durban

OW0207201291 Beijing XINHUA in English  
1807 GMT 2 Jul 91

[Text] Durban, South Africa, July 2 (XINHUA)—A high-ranking Chinese official voiced here today China's constant sympathy and support for the South African people in their just struggle against the apartheid system.

The statement came as Zhu Shanqing, head of a delegation of the Chinese Communist Party (CPC), made a speech at the 48th national conference of the African National Congress (ANC), first of its kind ever held in the country since 1958.

The CPC and the Chinese people have always sympathized with and supported for the just struggle against the apartheid system waged by the ANC and the South African people, said Zhu, who is also the deputy head of the International Liaison Department of the CPC's Central Committee.

A national liberation organization with a tradition of consistently struggling against the apartheid system, the ANC has been waging the "heroic and steadfast struggle under very difficult conditions so as to oppose racial discrimination and apartheid system and obtain political right for the African people," he said.

Such a struggle has won sympathy and support of the people throughout the world and also encouraged other oppressed nations and peoples that are striving for freedom and independence, said the Chinese official.

He expressed his belief that the current conference, the first one after the ban on the ANC was lifted in the nation, will lay down a good foundation for further expansion and consolidation of the ANC and for the continuous victories leading to a complete end to the apartheid system.

The conference is held against the background that some positive changes have taken place in South Africa since last year, he said.

The South African Government has released Nelson Mandela, the renowned leader of the ANC and the black people, lifted the ban on the ANC and other organizations, and rescinded some apartheid acts, he said.

The Chinese official attributed these positive changes to the long-term struggle waged by the South African people in general and the ANC and other liberal organizations in particular.

International solidarity has also made the positive changes possible, he said.

### West Europe

#### Foreign Ministry Firm on Relations With Vatican

HK0307084591 Hong Kong AFP in English 0825 GMT  
3 Jul 91

[Text] Beijing, July 3 (AFP)—The Chinese Foreign Ministry said Wednesday it stood by its long-standing conditions for improving relations with the Vatican, following Pope John Paul II's call earlier this week for a dialogue.

"China's position on Sino-Vatican relations is very clear," a ministry spokesman said. "We are willing to improve relations with the Vatican, but it must break off its so-called diplomatic relations with Taiwan and recognize... the Government of the People's Republic of China."

"The Vatican must also stop its interference in China's internal affairs, including its religious affairs," the spokesman added.

In a meeting with China's first Roman Catholic cardinal on Monday, the Pope said he wanted to "foster dialogue" between the Vatican and China. Cardinal Ignatius Gong Pinmei was secretly appointed a cardinal in 1979, while in a Shanghai prison, but the decision was announced only last month.

Since 1958, the Chinese authorities have organized Catholics under a "patriotic church," whose bishops are appointed domestically. Beijing considers papal appointments as interference in its internal affairs.

#### Song Ping Meets PCP's Cunhal in Beijing

OW0207135491 Beijing XINHUA in English  
1142 GMT 2 Jul 91

[Text] Beijing, July 2 (XINHUA)—Song Ping, Standing Committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here tonight with Alvaro Cunhal, general secretary of the Portuguese Communist Party.

Later, Song hosted a dinner in honor of Cunhal and his party.

According to a Chinese official present on the occasion, Song extended a warm welcome to the Portuguese guests on behalf of the CPC Central Committee and said the Portuguese Communist Party, tempered under difficult conditions, has glorious revolutionary tradition and rich experience in struggle.

Song said that the Portuguese party still adheres to the goal of communism and upholds Marxism under the current difficult circumstances. This is highly praiseworthy, he added.

Song recalled his visit to Portugal in March, 1989 and expressed his belief that the current visit of Cunhal would serve to promote the friendly relations between the two parties.

He also briefed the guests on China's situation and the present work of the CPC.

During the meeting, Cunhal said many things happened on the international arena in recent years. The main purpose of his visit is to exchange views with Chinese party leaders on domestic and international issues of common concern and on the relations between the two parties, and to learn about the political and economic situation in China.

He said he believed his current China tour would help strengthen the friendly ties between the two parties.

Zhu Liang, head of the International Liaison Department of the CPC Central Committee, was present on the occasion.

Cunhal arrived here earlier today at the invitation of the CPC.

### East Europe

#### Fighting Erupts Once Again in Yugoslavia

OW0207155091 Beijing XINHUA in English  
1343 GMT 2 Jul 91

[Text] Belgrade, July 2 (XINHUA)—Fierce fighting broke out this morning in Slovenia when a column of armoured vehicles of the Federal People's Army was intercepted by gunfire from the Slovene local forces.

The armoured vehicles were on their way to the Medveda area to help their fellow soldiers trapped there by the Slovene local defence force.

No estimate of casualties or damage was available.

Since Monday morning, the Slovene local defence force and police have repeatedly attacked People's Army units to prevent them from returning to their barracks.

Some of the People's Army units were in great difficulty as they had been in the field for days with food and water supplies cut off, Yugoslav TANJUG NEWS AGENCY reported.

Earlier, People's Army airforce planes were sent to rescue trapped officers and soldiers, but were fired on by Slovene local forces.

#### Cease-Fire Violations Charged

OW0207171391 Beijing XINHUA in English  
1535 GMT 2 Jul 91

[Text] Belgrade, July 2 (XINHUA)—The Yugoslav Federal Information Ministry accused in a statement today the Slovenian leaders of violating an earlier ceasefire agreement by obstructing the return to barracks of the Federal People's Army units.

The statement said that a contingent of the People's Army, acting on the ceasefire agreement reached on June 30 between Federal Prime Minister Ante Markovic and the leadership of Slovenia, was ready to retreat to their barracks early this morning, when it came under attack by Slovenian local forces, which triggered off fierce clashes.

Markovic demanded that the Slovenian leaders observe the ceasefire agreement, stop attacking the People's Army and allow them to return to their barracks.

But the demand was left unanswered, and armed conflicts are still continuing, the statement added.

Yugoslav TANJUG NEWS AGENCY said armed conflicts in Slovenia have in fact never stopped in the past two days, with the two sides accusing each other of breaching the ceasefire agreement.

#### Slovene Independence 'Unchangeable'

OW0207201391 Beijing XINHUA in English  
1735 GMT 2 Jul 91

[Text] Belgrade, July 2 (XINHUA)—Slovenian President Milan Kucan said today that the decision of the independence of Slovenia is "unchangeable."

Kucan made these remarks in meeting with German Foreign Minister Hans-Dietrich Genscher in the Austrian border city Villach.

Kucan said the three-month suspension of independence of Slovenia is actually impossible to be carried out because the Yugoslav People's Army are "doing in their own ways."

Genscher said a peaceful solution should be found to settle the current Yugoslav crisis.

The escalation of the armed conflicts in Slovenia had prevented the German foreign minister from meeting with Kucan and Franjo Tudjman, president of Croatia, in Ljubljana and Zagreb today as scheduled.

This is the first time in the Yugoslav history for a visiting foreign leader to meet its republican president in a third country.

Genscher, who arrived in Belgrade on Monday, held talks with Yugoslav Prime Minister Ante Markovic the same day.

After the meeting, the German foreign minister said he would support sending a European Community observation mission to Yugoslavia, and Germany would be prepared to take part in such a mission.

The Yugoslav Government troops and the Slovenian forces started fierce fighting in Slovenia on June 26 just after Slovenia declared independence.

Despite the two sides agreed to a ceasefire last Friday, armed conflicts are still going on.

#### **Mesic Appeals for Cease-Fire**

*OW0207202191 Beijing XINHUA in English  
1835 GMT 2 Jul 91*

[Text] Belgrade, July 2 (XINHUA)—Yugoslav President Stjepan Mesic and members of the Federal Presidency Vasil Tupurkovski and Janez Drnovsek issued an urgent appeal today in Ljubljana, capital of Slovenia, for an immediate ceasefire.

The president also called for an immediate exchange of prisoners of war between the fighting parties.

The Yugoslav People's Army was attacked by the Slovenian armed forces when they were withdrawing to their camps early this morning. The two sides fought fiercely in the conflict.

Mesic and Tupurkovski arrived in Ljubljana Tuesday afternoon in efforts to prevent the escalation of the current crisis, and held talks with the Slovenian leaders. The talks are still continuing by now.

The Yugoslav Army sources said at a press conference here today that seven People's Army soldiers were killed and other 13 were wounded during the fierce fighting this morning.

According to reports from TANJUG, the Yugoslav news agency, Slovenian Defense Minister Janez Jansa said today that the Yugoslav People's Army attacked Slovenian radio and television relays and disrupted certain broadcasts.

#### **Latin America & Caribbean**

##### **Wang Zhen Meets Cuban Vice President**

*OW0207140991 Beijing XINHUA in English  
1252 GMT 2 Jul 91*

[Text] Beijing, July 2 (XINHUA)—Chinese Vice-President Wang Zhen met with Carlos Rafael Rodriguez, vice-president of the Council of State and vice-president of the Council of Ministers of Cuba, at the Great Hall of the People here this evening.

During the meeting, Wang extended a warm welcome to Rodriguez, whom Wang called "an old friend", on behalf of the Chinese Communist Party (CPC), the Chinese Government and people.

According to a Chinese official present at the meeting, Wang mentioned that Fidel Castro, first secretary of the Communist Party of Cuba, had sent to Jiang Zemin, general secretary of the CPC Central Committee, a telegram congratulating the CPC on its 70th birthday.

"To us," Wang said, "this is an encouragement from America."

Cuba is a heroic island country, Wang said, and the Chinese Communist Party and people have always respected the Cuban people. Both of the countries firmly believe in Marxism and Leninism, which are the guidelines of their cause.

Rodriguez said that the CPC "has always been the source of inspiration to us. We have always had a great esteem for the Chinese Communist Party and people."

The great feats of China's late Chairman Mao Zedong and his comrades-in-arms have inspired the Cuban people, and Cuba has always paid close attention to China's development and admired its efforts to combine the theories of Marxism with China's own practice, Rodriguez said.

The congratulatory telegram from Castro not only represents the wishes of the members of the Communist Party of Cuba, but also those of the Cuban people, he added.

No matter what difficulties and setbacks we might encounter, he noted, Cuba will not give up the ideal of communism.

Communism will never lose on the Cuban island, he said.

Before the meeting, Wang presided over a ceremony at the Great Hall of the People to welcome Rodriguez, his wife and his party. Wang also accompanied Rodriguez to review the honor guard of the People's Liberation Army.



## Political & Social

### Li Peng Says Leaders To Forego Beidaihe Talks

HK0307012391 Hong Kong SOUTH CHINA  
MORNING POST in English 3 Jul 91 p 13

[By Willy Wo-lap Lam and Geoffrey Crothall in Beijing]

[Text] Top Communist Party leaders had no plans to meet at the seaside resort of Beidaihe this summer, prime Minister Mr Li Peng said, increasing speculation that they had to stay in the capital to iron out political and other problems.

For almost 10 years, party elders and top cadres have retired for the summer to Beidaihe, a three-hour train-ride from the capital, to map out plans for the coming year.

Since last month, there has been speculation in Beijing on whether the leaders would go to the resort to discuss the agenda for the forthcoming 14th party congress.

Mr Li, before departing for the Middle East yesterday morning, said: "This summer, China has no plans to convene any meetings at Beidaihe."

Analysts in Beijing say a major reason for the cancellation of the meetings is pressing political problems, which require even the party elders, such as Mr Deng Xiaoping, to stay in the capital.

A source said: "Deng is frantically manoeuvring behind the scenes to get the other elders to agree to his leadership line-up, which he hopes will be enshrined at the 14th congress next year."

"However, the elders are extracting a high price, specifically the promotion of their own proteges in tandem with those Deng favours."

Taking advantage of the celebrations of the party's 70th anniversary on Monday, conservative elders thought to have been pushed aside by Mr Deng reappeared.

Diplomats say Mr Deng also needs to stay in Beijing to oversee a few major conferences, including an enlarged meeting of the Central Military Commission (CMC).

They say Mr Deng, a former CMC chairman, may be planning a reshuffle of the leadership of the three general departments of the military headquarters: General staff, political, and logistics.

Other key conferences may include preparatory sessions for the party's eighth plenum.

Another reason stopping Mr Deng and the fellow octogenarians from going to Beidaihe may be health. The capital has been abuzz with stories about the declining vigour of both Mr Deng and conservative patriarch Mr Chen Yun.

This is in spite of the fact that both Foreign Minister Mr Qian Qichen and Vice-President Mr Wang Zhen have recently vouched for Mr Deng's health, pointing out he could still swim.

The cancellation of the Beidaihe meetings, however, is such a sensitive issue that the official NEW CHINA NEWS AGENCY did not mention the news.

The semi-official CHINA NEWS SERVICE—which is mainly subscribed to by Hong Kong and foreign news organisations—however, used Mr Li's remark about Beidaihe to lead its story on his overseas trip.

### Yang Shangkun, Others Inscribe for Travel Agency

OW2906110791 Beijing XINHUA Domestic Service  
in Chinese 1336 GMT 28 Jun 91

[By reporter Huang Riyao (7806 2480 1031)]

[Text] Macao, 28 Jun (XINHUA)—The China Travel Agency in Macao ceremoniously celebrated its 30th founding anniversary here today. Over the years, it has developed from a small travel agency of only 10 employees to a group enterprise with 1 billion yuan in assets and 1,800 employees.

Yang Shangkun, Li Peng, Wang Zhen, Ji Pengfei, Ye Xuanping, and other party and state leaders have written inscriptions to extend their greetings. Yang Shangkun's inscription reads: "In Celebration of the 30th Founding Anniversary of the China Travel Agency in Macao." Li Peng's inscription reads: "Develop Tourism, Promote Friendship."

Macao Governor Vieira, Guo Dongbo and Ke Zhengping, director and adviser of the Macao Branch of the XINHUA News Agency, respectively; Zheng Hua, deputy director of the Hong Kong Branch of the XINHUA News Agency; and celebrities from all circles attended today's celebration cocktail party.

Having pioneered its cause through hard work for 30 years, the China Travel Agency, founded in 1961, has developed from a small travel agency, engaged mainly in tourism, into a widely diversified international group enterprise whose main business is tourism. Its scope of operations covers freight transportation, trucking, hotels, and seven other major businesses. It has expanded its business to Hong Kong, France, Canada, and other places.

Since the adoption of the reform and open policy, the flourishing tourism business in China has promoted the rapid development of the China Travel Agency in Macao. Since 1979, this travel agency has arranged sightseeing tours in China for 2.5 million people. This figure is five times Macao's present population.

On the eve of its founding, Macao Governor Vieira conferred a meritorious medal on the China Travel Agency in Macao in recognition of its contributions to promoting tourism in Macao.



**Peng Zhen, Nie Rongzhen Inscribe Photo Album**

OW3006092991 Beijing XINHUA Domestic Service  
in Chinese 0210 GMT 27 Jun 91

[Text] Beijing, 27 June (XINHUA)—A forum on the photo album *Flames of Battle in Ji-Re-Liao* [Hebei, Rehe, and Liaoning] was held in Beijing today.

The photo album was published by the Liaoning Art Publishing House. Using more than 190 precious historical photographs, the album uses pictures to depict the heroic deeds of army men and people in waging arduous struggles in the Ji-Re-Liao border region, one of the 19 revolutionary base areas, under the leadership of the CPC. The photo album also includes inscriptions or memoirs by comrades Peng Zhen, Nie Rongzhen, Liu Lantao, Xiao Ke and Sun Yi.

Xiao Ke, Geng Biao, Zheng Tianxiang and some 200 others attended the forum. At the meeting, they recalled past events, talked about revolutionary tradition, and expressed their profound feelings toward the party. Today's forum was sponsored jointly by the Jin-Cha-Ji Literature and Art Research Society and other units.

**Qiao Shi Speaks on Strengthening Party Spirit**

OW2906081891 Beijing XINHUA Domestic Service  
in Chinese 0806 GMT 28 Jun 91

["Qiao Shi Delivers Lectures on Party to Department- and Bureau-Level Cadres of Organs Directly Under the CPC Central Committee; by Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391), and XINHUA reporter Liu Siyang (0491 1835 2254)"—XINHUA headline]

[Text] Beijing, 28 Jun (XINHUA)—Today, while giving a lecture about the party to the cadres at the levels of department and bureau of the organs directly under the CPC Central Committee, Qiao Shi, Standing Committee member of the Political Bureau of the CPC Central Committee, urged the leading cadres and all the party members of the organs directly under the CPC Central Committee to set themselves an example of improving understanding of and strengthening the party spirit.

Qiao Shi said the leading cadres and all the party members of the organs directly under the CPC Central Committee should set themselves an example by diligently studying; integrating theory with practice; seeking truth from facts; industriously running a clean government, maintaining close ties with the masses; preferring deeds to words; persisting in reform; boldly blazing new trails; observing discipline and abiding by laws; waging a resolute struggle against unhealthy trends and corruption; and striving to build our party into a strong core of leadership for the socialist cause with Chinese characteristics.

The topic of Comrade Qiao Shi's lecture was: Improve the Communists' Understanding of the Party Spirit and Strengthen Their Party Spirit. In his lecture he focused

on three topics: The extreme importance of improving understanding of and strengthening the party spirit during the new historical period; the basic requirements for improving understanding of and strengthening the party spirit; and the necessity for the leading cadres to be the first to acquire a better understanding of the party spirit and strengthen their party spirit.

Qiao Shi pointed out: Attaching importance to party building and improving party members' understanding of and strengthening their party spirit constitute one of the good traditions of our party. Our party has been in power for the 42 years since the founding of New China. On the whole, the party has passed the test of a ruling party. The overwhelming majority of our party members have retained the true qualities of the vanguard of the working class; and the principal aspects of their performances are good. According to statistics, party members capture a fairly high percentage of all the personnel that have been commended as national model workers and advanced workers by the State Council, awarded the "May 1" labor medals by the All-China Federation of Trade Unions, and conferred the honorable titles of middle-aged and young experts with outstanding contributions by the state. The percentage reaches over 90 percent in some cases; however, we should also be aware of the fact that there are, indeed, some party members who fail to pass the test of being in power and that some party-member cadres abuse power for personal gains, act like an overlord, and seek personal privileges.

Qiao Shi said: The new situation of implementing reform and the open policy poses a new challenge to our endeavor to build the party and strengthen the party spirit of our party members. The changes of situations both at home and abroad and the stepped-up activities of infiltration, subversion, and "peaceful evolution" conducted by international hostile forces against us also set new demands on us. He stressed that, under the new historical conditions, it is necessary for us to enhance our sense of responsibility and urgency for party building, improve the communists' understanding of the party spirit and strengthen their party spirit, and rectify various unhealthy trends and phenomena of corruption so that we may enable our party to always maintain the true qualities of the vanguard of the working class and really become a strong core of leadership for the socialist cause with Chinese characteristics under the leadership of the Central Committee of the party with Comrade Jiang Zemin as the nucleus.

Touching on the basic requirements for improving understanding of and strengthening the party spirit, Qiao Shi stressed the following four aspects. First, we must cherish communist ideals, foster a firm belief in communism, and steadfastly persist in the party's leadership. Second, it is necessary for us to conscientiously study and familiarize ourselves with the basic theories of Marxism and Mao Zedong Thought and persist in seeking truth from facts, integrating theory with practice,

and handling all our tasks in the light of actual conditions. Third, we must acquire a deep-rooted world outlook of serving the people wholeheartedly and maintain close ties with the masses. Fourth, it is necessary for us to persist in the party's democratic centralism, strengthen organization and heighten party members' sense of discipline, and carry out criticism and self-criticism in earnest.

Qiao Shi said: The organs directly under the CPC Central Committee are the working organs of the Central Committee of the party and, as such, should set themselves an example of improving understanding of and strengthening the party spirit under the direct leadership of the Central Committee of the party. Every party-member comrade of the organs directly under the CPC Central Committee should adhere to the principles laid down by the party. The backbone of the leadership, in particular, should set themselves an example of improving understanding of and strengthening the party spirit so that they may influence and spur on all the party members to strengthen their party spirit as well as party building in a down-to-earth manner.

Qiao Shi set a few specific demands on all party members of organs directly under the CPC Central Committee. They are unswervingly implementing the party's basic line as well as the guiding principles and policies adopted since the Third Plenary Session of the 11th CPC Central Committee, persisting in successfully taking the socialist road with Chinese characteristics, setting political and ideological demands on themselves in strict accordance with the requirements raised by the Central Committee of the party, assisting the Central Committee of the party to strengthen ties with the party organizations at all levels, doing a good job in following the mass line, working successfully in conducting inner party supervision, and setting themselves an example of successfully promoting party style and the running of a clean government.

Qiao Shi pointed out: Judging from the organs directly under the CPC Central Committee as a whole, we can see the overwhelming majority of comrades are cautious, conscientious, and industrious in the performance of their official duties for the people. However, some problems exist; there is also the phenomenon of abusing power for personal gains which is contrary to the requirements of our party spirit. Qiao Shi said: Leading cadres must be strict with themselves, match their deeds to their words, take the lead in meeting demands set on their subordinates, and be the first to refrain from doing what their subordinates are prohibited from doing. Deeds are more important than words insofar as the party's style is concerned.

Qiao Shi stressed: Improving understanding of and strengthening party spirit is a protracted process of self-discipline. Unremitting efforts are required to discipline oneself in order to strengthen one's party spirit. If a party member neglects to keep himself or herself within the bounds of discipline by following the principles of

party spirit, he or she will fall behind no matter whether he or she is a new party member or a veteran party member and regardless of his or her qualifications and record of service. Comrade Zhou Enlai once said: "One is never too old to learn and remold." It is necessary for every communist to look upon Comrade Zhou Enlai's saying as a motto, cherish the glorious title of communist, not slacken for a moment the efforts to remold ideology and strengthen our party spirit, and maintain revolutionary moral principles at all times.

At the end of the lecture on the party, Wen Jiabao, alternate member of the Secretariat of the CPC Central Committee and secretary of Work Committee of Organs Directly under the CPC Central Committee, said: We attend this lecture on the party in order that we may improve our understanding and, above all, integrate theory with practice and earnestly practice what we advocate. It is necessary for party-member leading cadres to set an example of strengthening party spirit.

More than 1,000 cadres from departments and bureaus of organs directly under the CPC Central Committee and central state organs attended the lecture.

#### Article Urges Enhancement

HK0107080291 Beijing RENMIN RIBAO in Chinese  
19 Jun 91 p 5

[Article by Gao Di (7559 3695): "Enhancing Party Spirit Is Foundation of Party Building"]

[Text] Party spirit is the essential attribute of a political party. What is the CPC's essential attribute? As laid down in the general program of the party constitution, "the CPC is the vanguard of the Chinese working class."

To build the party in line with the requirement of being the vanguard of the working class and turn the party into such a vanguard is fundamental to party building. If we are hazy about it and deny the party's character as the vanguard of the working class, the Communist Party will degenerate into a "party of the entire people," a "parliamentary party," or a "vote-canvassing party"; and the party members will be mixed up with ordinary people and lose their advanced character. The degeneration of a proletarian political party starts with a change in party character.

The working class is a selfless class. Only by emancipating all mankind can the proletariat eventually emancipate itself. The interests of the proletariat coincide with those of all mankind. The CPC is the vanguard of the Chinese working class and the loyal representative of the people of all nationalities in our country. Its fundamental aim is to serve the people or, in other words, work for the interests of the people. Aside from the interests of the Chinese people, the CPC does not have its own special interests. This is what the party is like, and so should be every party member. The party constitution stipulates: "Members of the CPC are at all times ordinary members of the working people. Communist

Party members must not seek personal gain or privileges, although they are allowed personal benefits and job functions and powers as provided for by the relevant regulations and policies."

Since the victory of the Chinese revolution, the working class has become the leading class. As the vanguard of the Chinese working class, the CPC is, as a matter of course, a leading core of China's socialist cause. The party spirit of Communist Party members is reflected in whether or not they are vanguard fighters of the working class worthy of the name. To enhance party spirit, party members should set strict demands on themselves in accordance with the criteria of being vanguard fighters of the working class.

External causes always act through internal ones. In China, as long as no big problems occur in the Communist Party, there will be no problem in China. To uphold the four cardinal principles and build socialism with Chinese characteristics, the fundamental issue lies in building the party well and in party organizations educating and managing party members well.

The party's basic requirements for its organizations and the party spirit of its members are: Individual party members are subordinate to the party organization, the minority is subordinate to the majority, the lower party organizations are subordinate to the higher party organizations, and all the constituent organizations and members of the party are subordinate to the National Congress and the Central Committee of the party.

As far as individual party members are concerned, a concentrated expression of whether or not they have party spirit and whether or not they have strong party spirit is whether or not they can readily and unconditionally sacrifice their personal interests and subordinate them to the interests of the party, i.e., the class and the people.

Fundamentally speaking, the personal interests of Communist Party members coincide with those of the party. Under many circumstances, however, there is a conflict between personal interests and the party's interests. The party calls on party members to be the first to bear hardships and the last to enjoy comforts and, therefore, their personal interests are subject to some losses, or at least some of their personal demands cannot be satisfied. The party calls on party members to go to work where the conditions are difficult and this brings many difficulties to party members in work and life, as well as problems like arranging for family members and children's schooling. Problems such as that pose a specific, practical test to the party spirit of party members.

The party's ultimate objective is to realize the communist social system. Communism is the most rational and magnificent social system of mankind and is the ideal of communists. From the day they join the party, Communist Party members should dedicate their all to the most glorious cause of mankind and fight for communism. To struggle, there must be sacrifices. A Communist Party

member must be prepared to make sacrifices. If a person joins the party with the aim of obtaining a certain benefit for himself rather than sacrificing himself and, if necessary, sacrificing his life, then he is not a true Communist Party member but very probably an opportunist.

Whether or not a party member can unconditionally subordinate his personal interests to the party's interests is a fundamental criterion for judging his party spirit. What criteria should we use to judge the party spirit of a leading cadre who is a party member? In my view, the most fundamental one is whether or not he can readily and unconditionally sacrifice the interests of his locality, department, or unit and subordinate them to the general interests when there is a conflict between the interests of the locality, department, or unit under his leadership and the state's general interests.

The interests of a locality, department, or unit also coincide with the general interests. Only when we gain the initiative in the whole can we gain the initiative in the part and only when it is a good time for the state can it be a good time for all the people. For example, you have raw materials which are needed by both yourselves and the state. Do you send them to the state or set them aside for yourselves? What are you going to do if both you yourselves and the state are confronted with difficulties? We often come across circumstances like that and they serve as a specific but practical test of the party spirit of a leading cadre who is a party member.

Service to the people is concrete rather than abstract, and leading cadres at all levels should serve well the masses under their leadership. This is beyond all doubt. The issue is that small principles must submit to major principles, which control minor ones. Comrade Deng Xiaoping said: "We should advocate taking the interests of the whole into consideration. Some matters are feasible locally but unfeasible as a whole; some matters are unfeasible locally but feasible as a whole. In the final analysis, we should take the interests of the whole into consideration." To this end, the party must make some sacrifices, face many difficulties, and may even be censured by some people. How should we approach and deal with this? It depends on the awareness of the leading cadres who are party members.

The question of party spirit is one of ideological awareness. It is a question of world outlook, why you become a party member or cadre, and what stand you take and whom you serve. Individualism is the archenemy of party spirit. Selfish departmentalism and small group mentality are nothing but extended individualism. In the final analysis, in remolding our world outlook we should overcome all sorts of individualism. The remolding of our world outlook is a fundamental one. The task of communists is to transform the old world and build a new one. But to remold the objective world, it is necessary to remold one's subjective world, i.e., to foster a proletarian world outlook.



What should we do to foster a proletarian world outlook and thus fundamentally enhance party spirit? In my view, the most important thing is to study and practice.

A proletarian world outlook cannot come into being spontaneously. People with a proletarian background cannot substitute rational knowledge with simple class feeling. Only by mastering dialectical materialism and historical materialism can people who do not have a proletarian background foster a proletarian world outlook. Marxism tells us that the system of exploitation of man by man is irrational and that the world of mankind will eventually move toward communism. This is precisely the communist world outlook of the proletariat. To fight for communism all his life is the communist's outlook on life. In judging a person's value, the communist does not look at how much he has got but how much he has contributed. A person who has made great contributions but demanded little in return is truly noble and great. Only by solidly fostering the correct outlook on the world, life, and value can a Communist Party member have a strong party spirit and, as Comrade Mao Zedong pointed out, subordinate his personal interests to those of the nation and people at any time and in any place.

It is very important to study Marxism. In the past, many intellectuals of an exploiting class background joined the revolution and the party by accepting Marxist truth as a start. But it is not enough to rely merely on book knowledge to become a vanguard fighter of the working class and a qualified Communist Party member with consciousness and party spirit. Only through personal practice can we turn book knowledge into our own knowledge. As Comrade Mao Zedong put it, there should be a leap from rational knowledge to practice. This leap is more important and difficult than the leap from perceptual knowledge to rational knowledge.

Taking part in revolutionary practice means fighting battles in the war years and engaging in construction in peacetime. For communists, fighting battles and engaging in construction were both stern tests and training.

During the war years, the tests facing party members were hardship and joy, life and death. After going through the baptism of fighting, most comrades became stauncher but, unable to stand the tests, some turned into traitors and deserters.

In peacetime, since the party became the ruling party, the tests confronting party members are power, money, and the "peaceful evolution" of hostile forces. This war, which does not emit the smoke of gunpowder, is more complicated, covert, corrosive, and appealing than that fought with real ammunition. In the face of new tests, some party members suffer defeat and some have turned into traitors under the new historical conditions. The rioters who once posed as Communist Party members are now begging foreign countries to impose "sanctions"

against their own motherland. Is there any difference between them and the traitors in past years?

The tests facing party members in the course of practice are numerous, frequent, stern, and unavoidable. In the face of right and wrong, for example, the attack of bourgeois liberalization, should we go with the stream and surrender with our hands up or put up strong resistance and rise up in resistance? When erroneous trends of thought hoodwink many people and any counterattack may end with people being isolated, should we dash ahead regardless of our safety, or should we be evasive and go along with them? All these are stern and merciless tests. It should be said that not all party members, including some leading cadres who are party members, can turn in passable examination papers.

A person is unqualified if he has selfish ideas. He is afraid of either offending others or losing votes; he is afraid that a change in wind direction will be disadvantageous to him. He is afraid of this and that, but he is not afraid that the party's cause will suffer losses. In the final analysis, individualism does mischief. Naturally, there is also the question of standards and of political sense of smell. Whatever it is, every party member should examine his performance in practice, find his weak points and shortcomings and, through study and struggle, improve and transform himself and step up the training of party spirit.

Study must be linked with practice. To link it with practice, it is necessary to launch criticism and self-criticism. Study, practice, practice again, study again, persist in what is right and correct what is wrong in the interests of the people. In this way, our party will certainly be strong and unconquerable.

#### Article Outlines Important Party-Building Tasks

HK0107033091 Beijing GUANGMING RIBAO  
in Chinese 17 Jun 91 p 3

[Article by Xue Ju (5641 7467) of Party School of CPC Central Committee: "Important Tasks Currently Facing Party Building"]

[Text] We who are engaged in researching party building theory, serve the purpose of strengthening party building and implementing the party's political line. Comrade Jiang Zemin pointed this out in a speech at a party building theory research seminar in December 1989: In the current stage, the fundamental objective of party building is to "build our party into the strong vanguard of the working class armed with Marxism-Leninism-Mao Zedong Thought and the strong force at the core leading the building of socialism with Chinese characteristics." The objective itself should be the main subject of our party building theory research. Our research work should be developed and deepened around this main subject. What important subjects urgently need to be studied in the current stage? In my opinion, they are as follows:

First, when facing the challenges of various erroneous ideas, our party must always maintain its nature as the vanguard of the working class. This is an underlying principled issue in party building. The CPC has always explicitly and consistently maintained its nature as the vanguard of the working class. This is because the Communist Party takes the working class—the most advanced class—as its class base and takes Marxism-Leninism-Mao Zedong Thought—the most advanced theory—as its guiding ideology. This represents the political advantage of our party and it must not be shaken in the slightest. Although there were changes in the situation and tasks after World War II, in the international sphere, the struggle between socialism and capitalism, and between the working class and the bourgeois class, will exist for a long time. In socialist countries, although the exploiting classes as a whole have been eliminated, class struggle will still exist within a certain scope. The anticommunist and antisocialist forces will still maintain ties and collude with the international hostile forces. Therefore, the CPC, which leads the entire people throughout the country in building socialism, must take the working class as its class base. The party's nature and the party's leading position must not change.

To maintain the party's nature as the vanguard of the working class, the party still needs to show in its practical work and various social activities that it genuinely and wholeheartedly relies on the working class and gives full play to the role of the working class as the main force in socialist modernization construction.

Second, the party's basic line must be implemented comprehensively and correctly, the party's leadership must be continuously strengthened and improved, and the party must really function as the strong force at the core leading the building of socialism with Chinese characteristics. This is a major task in strengthening party building and also a major subject in our party building theoretical research. The achievements and attainments of our party building theoretical research should also be evaluated through practice in implementing the basic line. The party's basic line should find expression in the concrete work on various fronts and in various localities. Party organizations at all levels should conscientiously sum up their experience in implementing the basic line, continuously improve their leadership, enhance their consciousness, guard against blindness, increase comprehensiveness, and reduce one-sidedness. In large-scale economic construction, the functions of the party should be separated from the functions of the government. Economic and other professional work should be handled by the government and various functional departments. However, this does not mean that the party's leadership can be weakened. On the contrary, the party committee must be in control of the overall situation and the general orientation and must do a good job of conducting ideological and political work and arousing the initiative of all quarters concerned, thus ensuring implementation of the party's

line, principles, and policies and promoting the smooth development of economic construction and work in other fields. Not only should party committees simultaneously promote things in the two aspects but party members and cadres in governments and functional departments should also pay attention to things in the two aspects. That is, they should not only be proficient in doing their professional work but should also be good at doing ideological and political work.

In the course of improving the party's leadership, an important issue is to improve the system of democratic centralism and to enhance the democratic and scientific nature of decisionmaking. Democratic centralism is not only the party's organizational principle but is also the embodiment of the party's mass line in the inner-party political activities. Our party organizations at various levels are running in the process of democratic centralism every day but some comrades are not aware that our decisionmaking must undergo the process of "from the masses, to the masses" or taking the ideas of the masses, concentrating them, and then going to the masses, persevering in the ideas, and carrying them through; at the same time, our decisionmaking should also undergo the process of standing up for the truth and correcting mistakes in practice. So, in their work, they sometimes do not give adequate play to democracy and various ideas inside the party cannot be fully expressed; but they sometimes do not effectively exercise centralism and fail to form unified will and action inside the party. Some other comrades are only keen to seek their departmental and local interests and disregard the overall interests. They do whatever they think is right and adopt an erroneous attitude toward the policies laid down by the upper leadership by defying them or bypassing them. We should seriously study and solve these problems, establish and improve a democratic and scientific decisionmaking system, and strive to create "a dynamic political situation in which exists both centralism and democracy, both discipline and freedom, and both unified will and ease of individual minds."

Third, consistently serving the people wholeheartedly and strengthening the party's close ties with the masses. This is our party's fine tradition. Today, as our party holds the ruling position, whether such tradition can be maintained has become an issue of crucial importance concerning whether the party's nature can be kept unchanged and whether the party can successfully guard against corruption and degeneration. The Sixth Plenary Session of the 13th CPC Central Committee made an important decision on strengthening the party's ties with the masses. At present, the whole party should regularly examine its action in this regard and conscientiously ensure implementation of the decision by adopting effective ideological, organizational, and institutional steps. "Everything serves the people and everything relies on the party." This is the basic starting point and standpoint for Communist Party members. In order to win the people's trust and support, all party members must bear in mind the party's principle and use their concrete

actions and exemplary behavior to cause the masses to actually feel from the concrete facts that our party indeed always thinks about the interests of the people and does down-to-earth work for the benefit of the people.

Rectifying party style and preventing corruption and degeneration is an important issue about which the whole party and the entire people are concerned. Although corruption has only appeared in a small number of people, its harmfulness must not be underestimated. This reflects the corrosion of the decadent bourgeois ideology and the bourgeois life style in the body of our party and it provides an opportunity for the hostile forces to effect peaceful evolution and make a breach. Resisting corruption is closely linked with preventing degeneration. We must mobilize the whole party to carry out anticorruption and antidegeneration struggle over a long time with firm determination. We need to take radical measures to rectify party style. That is, we should not only conduct effective ideological education but should also establish necessary rules and regulations. We need to carry forward the party's three major points in its traditional work style, and the party's fine tradition in other fields, and conduct criticism and self-criticism in the spirit of the Yanan Rectification. We need to advocate the combination of theory and practice and oppose the behavior of not matching one's words with one's deeds. We need to commend good party members and cadres who keep close ties with the masses and serve the people honestly and punish evildoers who violate discipline and break laws. We also need to establish an integrated system for discipline inspection from top to bottom and from bottom to top, both inside and outside the party, so that the building of party style can be guaranteed solidly by the effective systems of cross supervision.

Strengthening grass-roots party organizations and enhancing the fighting capacity of these organizations should be a main point in our efforts to build close ties between the party and the masses. Grass-roots party organizations in the countryside, in cities, in industrial and mining enterprises, in schools, and in various institutions and mass organizations have the closest contacts with the masses. They are the forefront institutions for propagating and implementing the party's line, principles, and policies among the masses. The results of their work have a direct bearing on the interests of the masses and also on the party's prestige. Therefore, grass-roots party organizations are required to give better play to their role as combat bastions, and Communist Party members are required to give better play to their vanguard and exemplary role.

Fourth, cadres at various levels in our party are undergoing the process of replacement of the old by the new. In this period, the leadership of the party and the state at various levels must be safely kept in the hands of faithful Marxists and hundreds of thousands of reliable successors to the socialist cause must be brought along and fostered. This is the long-term strategic task for the party and is also a pressing task of the moment. To train and

foster reliable successors to the socialist cause, the most important point is to arm the entire party membership, especially the leading cadres, with Marxism-Leninism-Mao Zedong Thought; to enhance their political quality and ability to do organizational work and exercise leadership; and to enable them to stand up to the three tests under the new situation. We should have our eyes on the 21st century, earnestly study the regularity of our cadres' growth, and make efforts to train hundreds of thousands of cadres who can insist on and be good at advancing along the socialist course. In the aspect of training a large number of cadres faithful to Marxism, our party schools bear a major historical responsibility and play an irreplaceable role. We should strengthen our party schools and organize the broad masses of students, instructors, and staffers in the party schools to earnestly study the basic theory of Marxism, the party's basic line, and the basic norms for inner-party political activities and to take pains in tempering their party spirit. We also need to establish a whole set of rules and regulations for theoretical and practical training and for work evaluation in order to give full play to the role of the party schools.

#### Qian Qichen Reviews Party History, Future

OW0107143091 Shanghai People's Radio Network  
in Mandarin 2230 GMT 30 June 91

[From the "Morning News" program]

[Text] The CPC was born in Shanghai 70 years ago. It is an honor for all people in Shanghai. They will never forget that in spite of the white terror, countless revolutionary patriots, one stepping into the breach as another fell, fought heroically for the liberation of Shanghai and the birth of New China.

Qian Qichen, state councillor and minister of foreign affairs, was an underground CPC member in Shanghai. On the eve of 1 July, our station reporter Sun Jianping made a special trip to Beijing to interview Comrade Qian Qichen.

As a middle school student in Shanghai, Qian Qichen joined the ranks led by the CPC that set out to overthrow the old system and establish a new China. His ancestral home is in Jiading, Shanghai. He was born in Tianjin in 1928. His family moved to Shanghai when he was nine. In 1942, he was a student at the middle school affiliated with Datong University, now May 4th Middle School. He joined the CPC when he was 14 and became secretary of the school party branch. After 1945 he served as member of the underground Shanghai party committee of the middle school district and deputy secretary of the party committee of the student district. After 1949, he served as member of the Xuhui and Changming District Committees and secretary of the district Communist Youth League [CYL] committee. Later he was transferred to the CYL Central Committee.



Foreign Minister Qian has been busy visiting foreign countries. He granted this exclusive interview with the station reporter despite many claims on his time.

[Being recording] [Unidentified reporter] Foreign Minister Qian, how are you? I am a reporter from Shanghai radio. Our station is running a special program on the 70th anniversary of the CPC's founding. Because you did underground work in Shanghai, can you say a few words to our listeners about your experiences?

[Qian Qichen] I joined the CPC in Shanghai in 1942. Later, I went through several periods—the period of the War of Resistance Against Japanese Aggressors, the period of the Liberation War, and the early period following the PRC's founding. I spent roughly 10 years in Shanghai.

[Reporter] What school did you attend and what kind of work did you do in Shanghai?

[Qian] I attended the middle school affiliated with Datong University. I was a juvenile, and some of my experiences during that time were unforgettable. The Shanghai of that time could be described as a center of imperialist colonial rule, a metropolis infested with foreign adventurers, a dazzling world with myriad temptations. However, the working people there were oppressed and fleeced right and left. Shanghai was also a center of revolution. As I recall the party's 70 years, the birth of the CPC is a crucial event that later led to the founding of New China.

Today, some young comrades with a little knowledge of Western capitalism but no experience of exploitation and oppression of capitalism cannot understand this. Therefore, they only see some superficial phenomena and are liable to believe that China could become strong and rich by following the road of total Westernization. It is impossible; it is, at least, an illusion. [end recording]

#### **Deng Liqun Addresses Party History Meeting**

OW3006212791 Beijing XINHUA Domestic Service  
in Chinese 1310 GMT 30 Jun 91

[By reporter Dou Guangsheng (45351639 3932)]

[Text] Beijing, 30 Jun (XINHUA)—A meeting to exchange work experiences among departments on party history across the country is being held in Beijing from 27 June through 1 July.

Deng Liqun, deputy head of the Leading Group for Party History Work of the CPC Central Committee; and Hu Sheng and Sha Jiansun, respectively director and deputy director of the Party History Research Center of the CPC Central Committee; spoke at the meeting.

In his speech today, Deng Liqun said: While all party cadres are studying party history and party building theories, people engaged in work on party history should obtain an even better grasp in their study. They should, in the light of party history and realities, thoroughly

study the second edition of *Selected Works of Mao Zedong*, *Selected Works of Deng Xiaoping*, *Chen Yun and the Economic Construction of New China*, and Bo Yibo's *Review of Several Major Policy Decisions and Events*, as well as selected major documents adopted by the party since the Third Plenary Session of its 11th Central Committee. He pointed out: In the course of studying party history, local departments engaged in the work on party history should collect and sort out relevant party historical materials and recommend them to party committees for study.

In his speech at the opening ceremony, Hu Sheng said: In studying party history, we should address issues of popular concern with regard to the ideology and understanding of party history from a deeper perspective, to meet challenges of the ideological trend of bourgeois liberalization in this respect.

Officials from 30 provincial, municipal, and autonomous regional departments on party history; and more than 100 representatives of advanced collectives and individuals of party history research offices all over the countries and representatives of organs under the party Central Committee, central government organs, and relevant army organs are attending the meeting.

The Party History Research Center presented souvenirs to 114 advanced collectives and 140 advanced individuals, who had shared their experiences at the meeting.

#### **History of Multiparty Cooperation Rounded Up**

HK0107113291 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1325 GMT 30 Jun 91

["Roundup" by reporter Liu Zhaoyi (0491 0340 5030): "Cooperation Between China's Different Democratic Parties and CPC Grows Increasingly Strong"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 30 Jun (ZHONGGUO XINWEN SHE)—This year, 1 July marks the CPC's 70th founding anniversary. Over the past few days, the eight democratic parties which have stood by the CPC through thick and thin, along with organizations like the All-China Federation of Industry and Commerce, have commemorated the CPC's birthday through various means, such as holding seminars and soirees. They also congratulated the CPC for its enormous contributions to the country and nation over the past 70 years.

The political system adopted by China is a system of multiparty cooperation under CPC leadership. Following consultations with the various democratic parties in 1989, the CPC Central Committee drew up the "Views on the Upholding and Improvement of the System of Multiparty Cooperation and Political Consultation Under the Leadership of the Communist Party." This document not only defined the democratic parties' role and tasks as political parties, but also spelled out the CPC's role and leading position as the ruling party.



The political system of multiparty cooperation and political consultation led by the CPC which prevails in China is not common in the historical development of the countries of the modern world. It occurred in China in the 20th century because it was shaped by the developments in China's modern history and reflected China's distinctive features.

In the national and democratic life of modern China, the CPC has always fought alongside many friends outside the party and they have supported and aided each other. These people of different political factions included Song Qingling, He Xiangyi, Deng Yanda, and Liu Yazhi, progressive intellectuals like Zou Taofen, Du Zhongyuan, Tao Xingzhi of the Kuomintang's [KMT] leftist faction; as well as the cultural standard-bearer, Lu Xun. Moved and inspired by the CPC's guideline on united front work, they played an inestimably big role in uniting and educating the people in the struggle to oppose foreign aggressive forces and domestic reactionary rule. The struggles they waged formed a major integral part of the nationalist and democratic revolution led by the CPC.

During the War of Resistance Against Japanese Aggression and the War of Liberation in China, several democratic parties were formed in the country, namely: the Revolutionary Committee of the Chinese KMT, China Peasants' and Workers' Democratic Party, China Democratic League, China Association for Promoting Democracy, China Democratic National Construction Association, China Zhi Gong Party, Jiusan Society, and the Taiwan Democratic Self-Government League. The CPC's clear-cut programs and practical actions in the nationalist and democratic revolution won for it the trust and support of these democratic parties and non-party affiliated patriotic personalities. On the other hand, the CPC also looked upon these democratic parties and other patriotic democrats as its own intimate friends. At the time of their establishment, these democratic parties had a political program which called for resistance against Japan, national salvation, and a demand for democracy; this was the same as the CPC's political program at that time. Consequently, the CPC was able to join hands with these democratic parties in the democratic revolution, and continued to develop this cooperative relation in their common struggles. Truthful and honest with each other, and standing by each other through thick and thin, they have nurtured the closest of relations as friendly parties.

After New China's birth in 1949, the CPC still had to unite the people of the country in the common struggle to build a prosperous socialist China. The patriotic united front was expanded and strengthened further as it also acquired a new historical feature. In 1956, Mao Zedong presented the guideline of "long term coexistence and mutual supervision" with the various democratic parties. While this guideline was not applied consistently because of the "rightist extremist" line and the catastrophe of the "Cultural Revolution," the CPC was able to reiterate this guideline in the new historical

period after 1978. The various democratic parties and patriotic personalities from all circles continue to firmly accept the leadership of the CPC and to cooperate with it as they relentlessly struggle for the cause of reform and opening up and the motherland's reunification.

Today, the existing eight democratic parties have become a political alliance made up of their own respective socialist workers and patriots supportive of socialism. They represent a political force serving socialism under the CPC's leadership. All the democratic parties are political parties which are also allies and partners of the ruling party, the CPC. Therefore, as the CPC marks its 70th founding anniversary, the democratic parties' members are also happily joining in the celebrations. At the same time, they have expressed their determination to continue working with the CPC and to fight in the common endeavor to rejuvenate the Chinese nation and reunify the motherland.

#### Review of Film Recounting Party History

HK0207054491 Beijing CHINA DAILY in English  
2 Jul 91 p 5

[By Yu Wentao]

[Text] The founding of the Communist Party of China (CPC) in July 1921 was by no means a chance occurrence but the climax of an irresistible historical trend and a careful choice by the Chinese people.

"An Epoch-Making Event," a two-part feature film made by the Shanghai Film Studio, describes for the first time the whole process of the Party's establishment, which was truly an "epoch-making event" in modern Chinese history.

The epic film portrays many magnificent historical scenes from 1919 to 1921—the world-shaking "May Fourth Movement," the publication of the Chinese edition of "manifesto of the Communist Party," the arrest and release of Chen Duxiu, leader of the New Culture Movement, the setting-up of the Communist groups in major cities, and the First National Congress of the CPC in Shanghai.

With convincing details, the film explains that the CPC is the product of a combination of Marxism-Leninism and the Chinese workers' movement. And it is through the Russians that the Chinese learned about Marxism.

"An Epoch-Making Event" uses many pictures from documentary films to show how the imperialist powers wanted to redive China as soon as World War I was over; how feudal warlords fought each other and made conditions in the country worse and worse and people's lives impossible; and how Chinese progressives went through untold hardships in their quest for truth from the Western countries.

The film particularly shows the great influence of the Russian October Revolution in 1917 over China and the

initial spreading of Marxism-Leninism among Chinese intellectuals. The October Revolution helps Chinese progressives to adopt the proletarian world outlook as the instrument for studying a nation's destiny and finally to reach their conclusion, that is, to follow the path of the Russians.

The film tells how the CPC emerged in the early 1920's, when the time was ripe, and was founded by many revolutionary pioneers.

However, in the "cultural revolution" (1966-1976), Mao Zedong was said to be the only founder of the CPC—though Mao himself did not accept the myth that a single person could found a party.

The film respects history and adopts an objective attitude in evaluating historical events and figures, including controversial figures such as Chen Duxiu.

Chen (1879—1942), was a major founder of the CPC but later was expelled from the Party for his erroneous political line. In previous films he has always been depicted as a negative character.

But in "An Epoch-Making Event," Chen appears as the chief editor of the "New Youth" magazine, a "banner" under which advanced intellectuals gather. He is neither belittled nor glorified. His weaknesses are as obvious as his strong points.

Chen was very active in advocating democracy and science but was tainted with some bad habits within his home, such as paternalism and male chauvinism. He was among the first to spread Marxism-Leninism but had quite a few limitations in understanding it. He had a strong character and went his own way. But as soon as he recognized the truth, he was willing to obey it.

Critics hold that Chen Duxiu is the best portrayed character in the film which provides useful guidance for Chinese film workers in dealing with such complicated historical figures.

The film successfully portrays another leading character, Li Dazhao (1889—1927), one of the earliest Marxists in China.

Different from Chen Duxiu, Li appears in the film as an introvert and reserved scholar. He always takes the interests of the whole into account and gives no thought to personal gains or losses. He looks serious but in his inner self nourishes beautiful human feelings. At home, he is a good husband and a good father.

In "An Epoch-Making Event," Mao Zedong is not depicted as a "prophet" but the ardent youth he was at that time.

With a burning desire to save China, he seeks truth with great eagerness and asks for advice from such pioneers as Chen Duxiu and Li Dazhao. In the film Mao possesses both an intellectual's knowledge and wit and a peasant's honesty and sense of humour.

The film also describes in lyrical style the love between Mao and his first wife, Yang Kaihui.

In "An Epoch-Making Event," most characters, whether positive or negative, are portrayed vividly and believably. That is why the film has been so well received among the people, especially youth.

As a ruling party in China, the CPC now boasts more than 50 million members, compared with fewer than 60 members 70 years ago. The CPC is now leading the country's 1.1 billion people in an unprecedented modernization drive, which will surely bring China to prosperity. To attain the goal it is necessary to study the history of the CPC and understand its experiences and lessons. The shooting of "An Epoch-Making Event" has done a significant job in this respect.

The film was directed by Li Xiepu and the leading characters—Chen Duxiu, Li Dazhao and Mao Zedong—are played by Shao Honglai, Sun Jitang and Wang Ying respectively. It is now being shown in major cities to mark the 70th birthday of the CPC.

## Reports Note Antigovernment Actions, Slogans

### Underground, Foreign Groups

HK0307010491 Hong Kong CHENG MING in Chinese No 165, 1 Jul 91 pp 9-10

["Notes on the Northern Journey" by Lo Ping (5012 0393): "Silent Explosion: 'Gift Presented to 1 July'"—first paragraph is CHENG MING introduction]

[Text] The Ministry of Public Security recently issued a circular to all localities asking all private owners of typewriters and photocopiers to register their machines with the party organizations of their units and the public security bureaus of their areas. The reason is due to a recent "vicious counterrevolutionary case" involving a photocopier which had greatly infuriated Deng Xiaoping, Chen Yun, Wang Zhen, and the others....

### "1 July Congratulatory Messages" Were Mostly Condemnations of the Crimes of the 4 June Massacre Faction.

A series of soundless explosions has taken place in Beijing before and after this year's 4 June and up until the eve of 1 July.

Starting 1 June up to the present time, "counterrevolutionary incidents" have taken place almost daily, including the putting up of "counter slogans," small character posters, and leaflets, most of which denounced the crimes of the 4 June massacre faction. Calls to arms were also used as a way to greet 1 July. Not a few units have received this kind of "congratulatory messages", with some of the them inserted in envelopes marked "invitation."

### **Sabotage Actions Continue To Take Place.**

What alarms the CPC officials most are some sabotage actions. However, these noisy explosions have been suppressed by the omnipresent dictatorial machinery. On 1 June, the armed police stopped and searched two young men carrying travel bags near the Cultural Palace of Nationalities. A struggle ensued on the spot, with one of the young men escaping and the other arrested. The armed police found guns and ammunitions in their bags. The guns had been taken during the 1989 pro-democracy movement. Later, the public security bureau of Beijing Municipality claimed in a report that a secret sabotage plot had been uncovered.

### **Old Cadres From the War of Resistance Against Japanese Aggression Involved in "Vicious Counterrevolutionary Incident"**

The public security bureau's report also narrated another "vicious counterrevolutionary incident." Twenty-seven persons were arrested by the police during an operation. Their crime was: This "counterrevolutionary clique" had conspired to set off explosions in ten places around Beijing, including the armory of the armed police. The head of this "counterrevolutionary clique" was one transport worker named Li from a chemical fertilizer plant in Beijing's Pinggu County. "This was an organized and planned counterrevolutionary incident with an objective." The report explained that the case was uncovered by the public security department because the "counterrevolutionary elements" had mailed letters to foreign correspondents. More than 200 kg of home-made explosives were seized. An elderly militia who had joined the party during the War of Resistance Against Japanese Aggression was implicated and arrested because he had instructed them in explosive techniques.

### **Party and State Units Received "Court Verdict" from the Trial of the CPC.**

Because no explosions resulted from these "sabotage actions," the shock waves were thus limited to the public security departments and the State Council. However, the shock waves from some other soundless "explosions" reached Zhongnanhai. That the soundless "explosions" should prevail over the noisy ones shows the continuing widespread presence of secret antigovernment organizations.

This is but one of the many incidents which have taken place: From end of May to June this year, a number of units including Beijing Municipality's government, party committee, CYL committee, and trade union received typewritten "court verdicts" signed by the "people's court." The court verdict enumerated the various crimes committed by the CPC as well as those committed by Deng Xiaoping, Yang Shangkun, and Li Peng in suppressing the patriotic students' movement. It then announced the death sentence to 11 persons, namely: Deng Xiaoping, Chen Yun, Li Peng, Yang Shangkun, Peng Zhen, Wang Zhen, Bo Yibo, Yang Baibing, Chen Xitong, Li Ximing, and Qiao Shi, and also stripped them

of their civil and political rights for life. It also pronounced a stay of execution, life imprisonment, and jail sentences for the accomplices in the massacre of the people, namely: Jiang Zemin, Yao Yilin, Yuan Mu, Wang Fang, Tao Siju, Jia Chongwang and others. The "court verdict" signed by the "people's court" also declared the CPC as an unlawful and criminal organization which should be disbanded. The other principal and pivotal elements of the CPC will also have to be tried by the people's court. The "court verdict" also asked the people to begin to collect criminal evidence concerning the CPC.

### **Foreigners in Beijing Are Suspected of Helping the "Criminal Elements"**

On the eve of the 70th founding anniversary of the party on 1 July, this typewritten "court verdict" dropped like a bombshell, creating much tension in the municipality's public security organs and party committee as well as the CPC Central Committee. Both the Ministry of Public Security and the Ministry of State Security sent men to join and guide the investigation in Beijing Municipality. Meanwhile, Qiao Shi ordered that the case must be uncovered. It was reported that the public security bureau suspected that foreigners in Beijing may have helped the criminal elements in the writing of the court verdict because the papers were not ordinary photocopy papers which could be bought in the market here.

### **Deng Xiaoping, Chen Yun, Wang Zhen and Others Personally Asked About the Case**

It was said that Deng Xiaoping, Chen Yun, Wang Zhen, and others all asked about this incident. Wang Zhen even summoned Wang Fang and Tao Siju and angrily banged the table, calling the pro-democracy activists "bastards." Qiao Shi who was also present said: "This is a group of extremely vicious counterrevolutionary and criminal elements who are in cahoots with foreign hostile forces and whose objective is none other than to make trouble before the approach of 1 July."

Because the public security departments, after an assessment of the case, suspected that foreigners in Beijing may be involved in it, they then stepped up surveillance on foreigners during this period. All post offices in the municipality of Beijing were instructed to strengthen the inspection of postal items. The Ministries of Public Security and of State Security also sent men to each central post office. Meanwhile, Jiang Zemin issued an instruction to the Ministry of Public Security: "This is a challenge to our party and a challenge to the 70th founding anniversary of the party by a handful of class enemies. It is absolutely forbidden for the public security front and the people's armed police to sit about and do nothing about it." He added: "While there is no change to our adherence to a policy of reform and opening up, it does not mean that there is no restriction on the unlawful activities of foreigners."



### Twenty-Six Foreigners Were Listed as "Major Targets"

On 8 June, the foreign affairs department of the Ministry of Public Security asked all public security organs to step up surveillance of "illegal activities" by foreigners inside the territory. At present, there are more than 500 foreign journalists in Beijing, the majority of whom are considered to be "hostile to the socialist system."

According to the spirit of the Ministry of Public Security's circular, the Beijing Municipality's public security bureau has decided to "have a word" with Beijing-based foreign correspondents, some of whom would receive warnings or grave warnings. At the same time, the municipality's public security bureau has already classified the city's foreigners, with 26 persons including those from the "Associated Press," "Voice of America," and "Kyodo News Agency" described as the major targets.

### More than 60 Underground Organizations "Known" to the Public Security Bureau.

The Ministry of Public Security recently issued a circular to the entire country asking all private owners of typewriters and photocopiers (not including photocopiers belonging to individual households) to register their machines with the party organizations of their units and the public security bureaus of their localities. Statistics from the public security bureau showed that in Beijing alone, there are more than 800 privately-owned typewriters (most of which were brought back from abroad by students who had studied abroad, or were gifts from relatives abroad, including computers) and 500 photocopiers of all models. Meanwhile, the head of the public security bureau spoke to the cadres of organs under the municipality's party committee about the "enemy situation," saying that some 60 underground "reactionary organizations" in Beijing are "known" to the public security bureau. He added that some of the bigger organizations were as follows: "Democratic People's Tribune," "Committee for the Reversal of the Verdict on 4 June Movement," "United Front for People's Action," "Liaison Committee for Unified Action of the Capital's University Students," "Anticommunist Army," and others.

### "Anticommunist Army" Said To Be Active in Beijing.

The court verdict issued by the "people's court" once again showed the continuing growth of "illegal organizations." Not even a prairie fire can destroy the grass; it grows again when the spring breeze blows. Following the train station fire in Beijing's eastern suburb and the explosion in a glass factory last year and early this year, the public security bureau received letters and phone calls from the self-proclaimed "anticommunist army" which admitted responsibility for the incidents. However, it is believed that the organizations which distributed the court verdict and carried out the "battle of words" do not belong to the same network. Similarly, it is held that as long as the verdict on the 4 June movement is not reversed, then Zhongnanhai will know no peace!

### System, Leaders Criticized

HK0307020191 Hong Kong AFP in English 0119 GMT  
3 Jul 91

[By William Brent]

[Text] Beijing, July 3 (AFP)—China's youth took to the streets in 1989, putting their feet to the pavement to demonstrate a growing distaste for the communist leadership.

The disillusionment of a generation has now quietly resurfaced. But this time it has migrated up the body to be emblazoned on their chests, in the form of T-shirts.

"Pissed off," "I'm fed up, leave me alone," or "No way out" are on just a few of the cotton, short-sleeve T-shirts selling out at private clothes stalls across the capital and being worn on the streets, at universities and even in government agencies.

Others poke fun at the elderly men who rule the country and one even calls discreetly for their downfall.

Beijing, deeply traumatized by the June 4, 1989 crack-down on protests for greater freedom and the repression that still persists, has discovered a new public forum.

"After June 4, no one has been allowed to question anything," a sociologist in his late 20s said. "That's why these shirts are so popular, because people want to have their voices heard, they want to speak."

Many of the multi-colored shirts, which sell for 10 yuan (1.85 dollars), have a hidden meaning.

A seemingly innocent, crying black cat printed on one shirt is really a jab at leader Deng Xiaoping, known best for his pragmatic one liner: "It doesn't matter whether the cat is black or white, as long as it catches mice."

Another shirt goes further. On it, the two characters for "old man"—which form part of a message reading "Be an honest man"—have been set askew, as if they are toppling over.

Chinese derisively refer to Mr. Deng, 87 next month, and other old-guard revolutionaries as the "gang of old men."

Stall owners say city authorities have already banned the sale of the shirts, and they expect the police to soon crack down on the manufacturers.

In the meantime, they have been offering discounts to get rid of their stock and stashing their goods every time an officer passes by.

"They don't like them (the shirts) because they're not in the right spirit," a 26-year-old vendor said, his dark sunglasses sign of a new breed. "They're too individualistic."

The shirts reflect the dejection and impotence of a lost generation, many youths interviewed said. They also provide some comic relief and a vent for pent-up anger at the system.

"Before, we didn't have a sense of who we were, and we didn't know it," said the 25-year-old girlfriend of one shirt salesman. "Now we still don't have that sense—but at least we know it."

Many urban young people say in private that the Communist Party holds little if any importance for them. They say they are frustrated at being forbidden to live freely or determine their careers.

As one shirt puts it: "Getting nowhere."

Most of the shirts, vendors said, came from China's most freewheeling province, Guangdong, which is far enough south—near Hong Kong—to elude the ideological orthodoxy of Beijing.

Despite the futility of the T-shirts, there was at least one that held out hope for a better future.

On the front was the face in red of the late chairman, Mao Zedong. On the back was printed the Great Helmsman's 1930 rallying call for the revolution to spread: "A single spark can start a prairie fire."

## Reports Focus on Housing Reform Policies

### Chen Jinhua Briefs Press

HK0107030591 Beijing XINHUA Domestic Service  
in Chinese 1134 GMT 18 Jun 91

[Report by reporters Xu Yaozhong (1776 5069 0022) and Zhang Jinsheng (1728 6930 0524): "At Housing Reform Press Briefing, Chen Jinhua Gives Train of Thought, Intentions Behind China's Housing Reform Policy Decision"—XINHUA headline]

[Text] Beijing, 18 Jun (XINHUA)—The general office of the Leading Group for Housing System Reform under the State Council and the magazine ZHONGGUO JINGJI TIZHI GAIGE held a joint news briefing on "housing system reform." During the news briefing, Chen Jinhua, director of the Leading Group for Housing System Reform under the State Council and minister of the State Commission for Reforming Economic Structure, gave a briefing on the motives and ideas behind the reform of China's housing system.

Chen Jinhua first talked about the situation in China's housing reform and the achievements that have been made in the reform. He said: So far, the implementation plan for nationwide reform of the housing system has been carried out on a full scale in 12 cities and 13 counties and towns and more than 300 other cities and towns are now running some individual reform projects. Experiments and practice regarding the reform in various localities show that the localities have obtained experience and made progress in their own housing

reforms which they have launched to varying degrees. The main achievements are: We have managed to minimize the evergrowing unreasonable demand for housing and, after raising the rents, it has become a trend for people to return extra flats or houses which they do not actually need, and swap their larger flats or houses for smaller ones, and restrictions have been set on the designed floor space of flats—this tendency is conducive to our struggle against anomalies; we have achieved initial success in straightening out the fundraising channels, setting up a three-tier housing fund involving the city authorities, the enterprise or organization, and the individual; property rights holders [chan quan dan wei 3934 2938 0830 0143] have achieved initial success in developing an input-output benign cycle; we have explored more sources of investments to finance housing projects, conducive to molding the consumption pattern and readjusting the production structure—in some cities which were selected to launch pilot projects, the rent has been raised and the rent-sale price parity has been adjusted to encourage workers and staff members to buy flats or houses, to recover funds invested in housing and to further expand housing construction; and, meanwhile, we have launched operations to raise funds for cooperative housing projects, thus bringing the initiative of urban residents into play.

Chen Jinhua pointed out: On the whole, housing system reform has caused a change in the public's consumption concept. The situation in those cities and counties carrying out housing reform shows that the masses support the reform, are satisfied with the status quo, and enjoy social stability. In cities and counties where the housing reform has yet to be launched, most people are looking forward to reform. The broad masses in urban areas are mentally prepared and desire housing reform. The policies and facilities concerned have been improved daily, serving as the psychological and material basis for stepping up housing reform. We must press forward with housing system reform vigorously, safely, and properly, under the guidance of a unitary policy, while allowing separate decisionmaking according to local conditions. The ultimate purpose of housing system reform is to improve the people's living conditions as soon as possible. To achieve this we must reform the traditional housing system and mechanism. In the course of reform, it is necessary to pay attention to all aspects, namely, the leasing, sale, and construction of flats or houses. We may launch the reform in a way which is easier for us to make a start but we must really pay attention to introducing different reformatory measures which facilitate a switch-over to the new mechanism, to gradually develop a benign cycle for fundraising, invigorate related trades, and boost the economy as a whole. In this connection we must concentrate our attention on the several aspects of the housing reform that are discussed hereafter.

Talking about the guiding ideology for housing reform, Chen Jinhua first pointed out that it is necessary to make the increase in rent a basic part of the housing reform. The adjustment of the low rent level for public housing is

a key link in the housing reform. The rent level for public housing is to be reasonably adjusted across the board this year. An assessment conducted in 1987 showed that the average monthly rent calculated in terms of floor space was 0.13 yuan per square meter; the average monthly rent calculated in terms of depreciation, maintenance, and management expenses (that is, assuming the system of financing housing maintenance with rent was practiced) ranged between 0.6 and 0.8 yuan per square meter, about five times as much as the current rent level; the average monthly rent calculated in terms of the five elements of costs, namely, the maintenance, management, depreciation, interests, and property tax, was about 1.56 yuan per square meter or more than 10 times as much as the current rent level; and the average monthly rent calculated in terms of the eight elements of costs, namely, maintenance, depreciation, management, interests, property tax, profit, land rent, and insurance premium, was about 2.3 yuan per square meter, or 18 times as much as the current rent level. Only when the rent is raised to this level will it be possible for us to initially effect commercialization of housing. During the next 10 years we plan to raise rents to a level based on a calculation in terms of the five elements of costs, so that the investment in housing projects will be basically recovered and thus a foundation will be laid for a benign cycle relying on the operation of a self-financing housing system. Here we have to decide whether the switchover should be accomplished by one move or in several stages. If the rent is to be raised once and for all to the quasi-cost recovery rent level of more than 1 yuan per square meter, the efficiency of the rent mechanism will be high but it demands that the financial sector and the enterprise are ready to make a change in housing fund management, the tenants are ready to accept the change, and households occupying larger floor space are ready to pay more. So we need to study the varying capacities of different localities to withstand the pressure due to their varying degrees of economic development. If the rent is to be raised by several stages, the requirements for the financial sector, the enterprise, and the public to withstand the change will be relatively low and the burden imposed on households occupying larger floor space will be relatively light. Rent increase of a narrow margin at the beginning of the operation may not have to be coupled with subsidies. If the method combining rent increase with corresponding subsidization is adopted in a local housing reform program, the principle of "higher rent increase but less subsidy" should be followed. So long as the margin of rent increase is kept within the extent that the masses can afford, the public will still show understanding and support the reform program even if many households have to pay more. Anyway, the practice of "lower rent increase but more subsidy" is unsuitable because this will add to the burden of the financial sector and the enterprise; and if this really happens, the reform will not last long.

Talking about the plan to sell flats or houses with a view to quickening fund turnover, Chen Jinhua said the sale

of public housing is an important step toward accelerated commercialization of housing and fund turnover. Our country practices a low wage system. During the establishment of the new housing system, flats or houses are to be sold to workers and staff members at a preferential standard price and some property rights will be granted to them. This is the policy to start the housing commercialization program. However, if the price is set too low, it may slow down the pace of establishing the benign cycle in housing construction, add to the state's financial burden, cause losses in state properties, and give rise to unfair distribution and other social problems. In view of the structural difference in personal income in China, it is appropriate to divide the landed property price into the categories of market price and standard price. The standard price consists of two parts, namely, the construction costs and the land acquisition and removal compensation expenses. When a worker or staff member buys public housing, he is entitled to the preferential standard price, so long as the floor space of the flat or house is within a set limit, and he is entitled to some property rights which can be inherited or sold; the co-owner of the landed property has the preference to purchase the entire property and the right to share profits arising from the property. The preferential policy and measures regarding sale of flats or houses should be reflected in the length of the installment payment period, the interest rate, and tax exemption and reduction, rather than in the reduction of the sale price alone. On the other hand, the market price should vary along with the supply-demand relations in the market; the purchasers of flats or houses sold at the market price should be those in the high income bracket and they will be entitled to full property rights.

Chen Jinhua said it is necessary to step up the support reform in the housing financial system. The system whereby the bank extends loans at a low interest rate to those within the medium income bracket is a common practice abroad. In fact, this is an installment plan for purchasing flats or houses which plays a very important role in promoting sales of landed properties, quickening the recovery of capital, and pushing forward the housing commercialization process. It is generally accepted that the down payment for house mortgage loan should be equal to 30 percent of the price of the flat or house. The remaining 70 percent can be paid off by mortgage loan extended by the bank at a low interest rate and the mortgagor should pay back the capital and interests by installments within 10 to 25 years. We should set out to introduce this system. At present, in China, the reform in the housing financial service system (including savings, loan, stock, securities, and insurance) is lagging behind reforms in other fields. Financial intervention is an important precondition for extending the banking service to the residential property market. The introduction of the housing mortgage loan system also helps prevent the practice of forcing down private property prices. Since China is now at the stage of economic improvement and rectification involving other related reforms of the overall financial structure, as far as establishing



housing banks is concerned, we can continue the ongoing pilot projects with a view to acquiring more experience but private housing savings, mortgage loans, housing insurance, and other services should be expanded and popularized. In particular, it is necessary to find a way to implement the policy and measures for low-interest housing mortgage loans.

Chen Jinhua said: It is necessary to promote the housing fundraising system, and that for cooperative housing construction, and set up a housing fund. The fundraising system for housing projects and the system for cooperative housing construction, which will replace the old system of housing projects monopolized by the state and the enterprises, are readily accepted by the masses. There are many forms of the housing fundraising system and the cooperative housing construction system, and all of them can work quite well. Some of these forms have the enterprise or organization playing the main role, the individual playing an auxiliary role, and the government playing a supporting role. Some have the individual playing the main role, and the enterprises or organization and the government playing the auxiliary roles. Some have the government extending financial aid, which will be paid back later, to help the recipients "escape from their predicament." In this case, the government, the enterprise or organization, and the individual all do their share in the cooperative house-building project. Some trades, enterprises, or organizations have made arrangements so that their employees can pool funds to run housing projects on their own. After the residential building project is completed, flats are sold or leased to those who have contributed funds. The fundraising and cooperative housing construction operation has explored new financial sources for housing projects and increased the supply of residential buildings. At present, in China, the annual expenses on housing construction and maintenance total nearly 40 billion yuan. Most of the funds are contributed by the state financial sector and enterprises, with the former providing about 23 percent and the latter about 60 percent, while individual workers and staff members contribute only a small portion of the funds for financing housing construction (17.1 percent). In addition, as the enterprise's housing fund and production fund are mixed together and sometimes misappropriated, the supply of funds is unstable and fluctuates from time to time. Therefore it is necessary to introduce a three-tier housing fund system which involves the city authorities, the enterprise and service unit, and also the individual, by transforming the housing fundraising and appropriation system and thus putting the housing fund system on a regularized, rational, and systematic basis. We will establish a fund earmarked for housing projects to raise some money as subsidies in support of rent increases. We will make sure that whoever invests will benefit from it and whoever contributes to the accumulation fund will be entitled to use the fund on housing reproduction projects. By doing so we will be able to keep housing construction on a stable and reasonable scale.

Chen Jinhua also pointed out: It is necessary to take into account all the three aspects, namely, the housing reform, the rent level, and the end user's capacity to withstand the rent increase. A feasible measure is to increase the rent by a wider margin but increase subsidies by less and appropriately augment the payment to employees for housing expenditure. Since the salaries and wages have been increased and the rent level has not been adjusted accordingly, the rent now accounts for less than 1 percent of the monthly living expenses. It is estimated that at present, about 5 percent of salaries and wages is designated for housing. So, when the rent level is adjusted, this portion of income should be reflected as housing expenses. In other words, any rent increase within the margin will not be accompanied by increase in subsidies or will be compensated by a slight subsidy increase; and, when the rent increase exceeds this margin, the increase in housing expenses can be gradually covered by an increase in the salaries and wages, along with the price and wage reforms. This practice will be of positive significance to rectification of the distribution relations and adjustment of the consumption pattern. As for some households in the low income bracket who are in difficulties because of the rent increase, the policy of reduction and exemption of rent and increase in subsidies can be applied to their cases for a certain period.

Chen Jinhua said: We must also study the issue of housing for official cadres and veteran cadres. The low income for civil servants has recently become a prominent problem regarding distribution of income. Apart from the housing welfare offered by the government, civil servants do not receive much income and welfare from other sources. Some veteran cadres are enjoying larger houses or flats, which is a historical issue. Due to the old supply system and low income system which have been practiced for years, the size of their houses or flats does not match their salaries. If, in the housing reform, a uniform policy was indiscriminately applied to these two categories of cadres, it would involve a pretty high degree of difficulty, encouraging an irrational flow of qualified personnel and resulting in a decline in the quality of civil servants and involving unfairness to some officials who have rendered meritorious service to the state. Therefore, before a decision is made to include civil servants in the housing reform, it is necessary to adopt some provisional rent exemption, reduction, and subsidy measures or living allowance methods. At the same time, it is necessary to formulate a general policy and relevant measures as guidelines for the housing reform concerning official cadres and veteran cadres, so that their cases can be settled properly.

Finally, Chen Jinhua emphasized: It is necessary to intensify macroscopic guidance for housing reform and develop the landed property market. In housing system reform, both the housing policy and the land policy, as well as the housing construction and financial service systems, must be designed and formulated in a coordinated way. China's housing reform demands that a



system for compensated use of land be introduced and consideration given to both the economic acquisition of the ownership of land and the assignment of the right to use the land. The in-depth implementation of the housing reform demands the support of reform in the financial and banking structures, including the unified appropriation of funds, the introduction of a provident fund or compulsory savings system, the sale of housing stocks and bonds, the acquisition and granting of mortgage loans, and so on. All these are important guarantees supporting the transition from a physical- and welfare-type housing system to a commodity- and monetary-type housing system. In the course of establishment of the landed property market, poor management may encourage "profiteering through property and land transactions" and other anomalies and corrupt practices. In this connection we must strengthen the legal system, develop a set of market rules and regulations, improve government administration, offer better guidance in terms of policy and, in particular, make good arrangements for the value assessment of landed properties to prevent losses of state assets.

During the news briefing, Hou Jie, deputy director of the Leading Group for Housing System Reform under the State Council and minister of construction, and Liu Mingpu, deputy director of the Leading Group for Housing System Reform under the State Council and deputy director of the People's Liberation Army General Logistics Department, spoke in turn on housing construction, the development of the commodity flat market, and the Army's housing system.

### **Reform High on Agenda**

OW0207185491 Beijing BEIJING REVIEW  
in English No. 26, 1-7 Jul 91 pp 5-6

["Housing Reform High on Agenda"]

[Text] Housing reform, which began in China three years ago, is now again high on the government's agenda, with the focus on commercializing public housing as a means to reactivate a sluggish housing market.

In a nationwide circular issued recently, the State Council asked 450-odd cities in the country to work out specific housing reform programmes.

Chen Jinhua, minister of the State Commission for Restructuring the Economy and head of the newly formed Housing Reform Office under the State Council, said in Beijing on June 18 that the current social and economic situation in China is favourable for carrying the housing reform through.

During the reform, which was aimed at improving the living condition of the over 300 million urban residents, the current excessively low rents will be raised to cover maintenance costs, and some newly-built residences will be sold to individuals.

Chen said that many urban citizens welcome the housing reform programme.

"What's more," he said, "they now have huge amounts of cash in hand."

It is estimated that there are about 800 billion yuan (US\$152 billion) of personal bank savings or private savings in China, and government officials hope that the new housing business would absorb much of this huge pile of idle cash.

Twelve cities, 13 counties and 300 townships have adopted various housing reform programmes.

Shanghai, China's largest city, initiated the country's first comprehensive housing reform programme last year, and brought it into force on May 1 this year.

According to newly appointed Minister of Construction Hou Jie, China will have to build an additional 1.65 billion square metres of housing floorspace so that by the end of this century per-capita urban housing space will reach eight square metres.

And in the next five years, about 150 million square metres should be built every year, he said.

Statistics show that over the past decade China has constructed housing totalling 1.5 billion square metres in its urban areas, more than double it did in the previous three decades.

China has invested more than 280 billion yuan in urban housing construction in the last decade, and the living space per capita in urban areas rose from 3.6 square metres in 1978 to 7.1 square metres in 1990.

But, Hou pointed out, much remains to be done as about 8 million households need to be improved.

In addition, there are 50 million square metres of houses to be reconstructed and 600 million square metres to be improved.

He said that the state, collectives and individuals should all be involved in fund-raising for housing purposes. Real estate business should also be boosted.

### **Improving Labor Force 'Key' to Modernization**

OW0107032991 Beijing XINHUA in English  
0233 GMT 1 Jul 91

[Text] Beijing, July 1 (XINHUA)—Improving the quality of the country's labor force has recently regained the attention of the press and has been described as a key to the country's modernization drive in the long run.

One article in the "WORKERS DAILY" [GONGREN RIBAO] said China in its modernization drive could rely only on its huge manpower resources to offset its disadvantages in capital and per capita material resources.

China has a work force of 700 million. A higher quality of labor was one of the two prerequisites for the huge

work force to become a treasure rather than a burden. The other was the control of population growth to prevent it from becoming excessive, according to the paper.

Based on official statistics, another article in the paper presented a gloomy picture of the country's labor force quality.

With regard to education, the 1990 population census found that those who had received a college education accounted for only 1.4 percent of China's total population of 1.13 billion, and graduates of high schools or professional schools at the same level, only 8.0 percent. The percentage for junior middle school graduates was just under 18 percent and that for primary school graduates, 37 percent.

Moreover, there were still some 180 million people who were either illiterate or semi-illiterate.

In agriculture, farmers' average length of school attendance was six years and in urban state industrial and building enterprises, the figure was just 10 years for workers.

The low quality of the labor force in general is a reason why many achievements made in scientific and technological research cannot easily be applied to production.

In urban industries, many advanced assembly lines, imported from abroad, have stood idle for a long time because workers were unable to operate them.

The Shanghai-based newspaper "LIBERATION DAILY" [JIEFANG RIBAO] also expressed worries over the current status of Shanghai's several million workers.

According to the paper, engineers and technicians accounted for only four percent of the number of workers in Shanghai, below the level of the Soviet Union in the 1940's and the level of the United States in the 1950's.

In addition, a significant number of workers appeared indifferent towards learning about technology.

Some measures were suggested by the newspapers to tackle the problem. They include:

- more input by the government and society to develop educational undertakings as a means to improve the general educational level of the nation; and
- more training be given to ordinary middle school graduates before they were placed in jobs; and
- introduction of a mechanism to motivate workers to improve their skills, including increased pay for more skilled workers and a strict system of allowing workers to be placed in posts only after they reached preset technical rankings.

## Reforms Alter, Expand Rural Education

### 'Radical Changes'

OW0107031591 Beijing XINHUA in English  
0124 GMT 1 Jul 91

["Roundup: Radical Changes Taking Place in China's Rural Education"—XINHUA headline]

[Text] Jinan, July 1 (XINHUA)—Forty years ago, more than 85 percent of the population in Laiwu County, Shangdong Province, could not even write their names, but today more than 99.2 percent of the county's young and middle-aged people (between 15 and 45) are literate.

Reportedly, 99.87 percent of the primary school-age boys and girls in Laiwu go to school, and 95 percent of the primary school graduates go up to middle schools.

An official from the State Education Commission, who is attending an international seminar on rural education, said that the flourishing rural education in Laiwu County is the epitome of the situation in more than 2,000 counties in China.

There are about 749,000 primary schools, 78,000 middle schools, 9,100 vocational schools and 210,000 adult schools in the country's rural areas, according to a report submitted by the State Education Commission. In addition, the report noted that more than 140 million of the country's 800 million rural residents are receiving education in various schools.

In the past 10 years, education conditions and teachers' salaries in rural areas has been greatly improved. As a result, more than 95 percent of the school-age children are enrolled in schools, and 76 percent of the counties in the country have popularized primary school education.

In addition, most of the counties have popularized middle school education, with 74.58 percent of the rural primary school graduates continuing their studies in middle school.

Education for disabled children has also developed in rural areas, the report revealed.

These great changes were attributed to the state's "Flame Spreading Program," which was initiated in a bid to popularize agricultural techniques and eliminate illiteracy in rural areas.

The official said that each year about 30 million rural residents receive various forms of training in agricultural techniques. Some places even issue farmer's credentials, commonly referred to as a "green license."

The popularization of education in rural areas has not only enhanced the farmers' productive techniques but also promoted the general mood of the rural communities. The voluntary adherence to family planning practice by more and more rural families is one of the examples, the official said.

**TV Education for Remote Areas***HK0107033491 Beijing CHINA DAILY in English  
1 Jul 91 p 3*

[By staff reporter Liang Chao]

[Text] Kunming—The government is to extend existing television education to cover remote rural areas as well as speeding up its efforts to upgrade more country primary school teachers through a teacher training programme.

The programme, with \$1.4 million from the United Nations' Children's Fund (UNICEF), aims to improve the quality of more than 25,000 rural primary school teachers in Northwest and Southwest China's 26 economically backward counties.

The teaching programme is to be carried out, step by step, through distance education or the radio and television educational channels over the next four or five years.

This was the message from a conference on the remote teachers' training programme, held in Kunming yesterday.

A survey of pre-school and primary school teachers has shown that 80 and 34 percent respectively are below the official certificate standards.

The problem restricting rural areas' economic development and social progress is more serious in the poor remote and minority areas than in urban regions, officials told the conference.

Conventional training methods in normal schools, however, are unavailable to cope with the problem in the short-term as a considerable number of unqualified teachers are still needed in schools there.

While aiming at improving the quality of primary school teachers, the project is also expected to cover pre-school teachers as well as some other practical skill training.

The scheme will be realized through the provision of 21 relay stations, 61 satellite television receivers, and video playback facilities in at least 630 primary schools in impoverished counties in 21 provinces, including Tibet.

The government also expected, through the project, to establish a nationwide, multi-media teacher-training network which would accelerate the improvement of teacher training in general.

The State Education Commission believed this "would not only largely extend the capacity of State-run China Educational Television (CETV) to reach remote rural areas and minority areas but also help their economic development."

Millions of urban youth who had no access to institutions of higher learning during the decade-long "cultural

revolution" (1966-76) have reached higher education level or gotten a certificate equal to it since 1986 when the CETV was established.

But many young people in remote and minority areas are still illiterate, which is one of the major factors restricting their local economic development.

Education officials are confident that the project, if successful, will also help promote social progress in these areas as well as improve education.

**National Urban Education Reform Seminar Ends***SK0107133491 Jinan Shandong People's Radio  
Network in Mandarin 2200 GMT 30 Jun 91*

[Text] After a five-day session, the national seminar on the experiment of comprehensive reform in urban education concluded in the city of Weihai on 30 June. Attending the seminar were the vice mayors of 15 cities throughout the country, which had taken up the pilot work of conducting reform in the urban educational systems, and responsible comrades from the departments concerned. During the seminar, the participating personnel heard the report on relaying the spirit of directive issued by the State Education Commission with regard to conducting reform in the future in the urban educational systems, summarized the experience gained by the cities in their pilot work in this regard, and held extensive and deep discussions on the educational issue of emphatically conducting reform in the existing urban educational systems and in the secondary educational structure.

**RENMIN RIBAO Greets New Mao Edition***OW0207131791 Beijing XINHUA Domestic Service  
in Chinese 0941 GMT 2 Jul 91*

["RENMIN RIBAO" 3 July Editorial: Uphold and Develop Mao Zedong Thought: Greeting the Publication and Distribution of the Second Edition of Volumes I-IV of the *Selected Works of Mao Zedong*—XINHUA headline]

[Text] Beijing, 2 Jul (XINHUA)—To satisfy the earnest requests of the vast numbers of cadres and masses for studying Mao Zedong Thought and to promote the party-wide study of Marxist-Leninist theory, the CPC Central Committee decided to publish the Second Edition of Volumes I to IV of the *Selected Works of Mao Zedong* on the occasion of the 70th anniversary of the party's founding. This is a major event in our country's political life.

The First Edition of Volumes I to IV of the *Selected Works of Mao Zedong* was published separately in the early 1950's and 1960's. The publication had a tremendous and profound impact on raising the entire party's Marxist-Leninist theoretical level and on guiding the practice of our country's socialist revolution and construction. It can be said that the publication educated



and influenced several generations of people. The Second Edition retains the original list of contents of the First Edition, and has only one additional section entitled "Opposing Book Worship." The few erroneous historical facts and wrong characters in the text of the first edition have been corrected, and some explanatory notes and most annotations have been revised earnestly, thereby making the Second Edition more perfect. Revising and publishing the new edition of Volumes I to IV of the *Selected Works of Mao Zedong Thought* is a significant effort in theoretical construction, which is bound to play a tremendous role in the study of Mao Zedong Thought by the broad masses of cadres and people.

Mao Zedong Thought is the application and development of Marxism-Leninism in China and the crystallization of the CPC's collective wisdom. In the past, Mao Zedong Thought served as a powerful ideological weapon for guiding the whole party and people of all nationalities throughout the country to wage socialist revolution and construction. It serves the same purpose at present and will do so in the future. Because of weakened ideological and political work in recent years, some people exploited mistakes made by Comrade Mao Zedong in his old age in order to stir up a muddy stream to denigrate Mao Zedong's scientific works and negate Mao Zedong Thought. It was a salient manifestation of bourgeois liberalization. Evidently, negating Mao Zedong Thought amounts to negating the party's glorious history and brilliant achievements and opposing the integration of the universal truth of Marxism-Leninism with the concrete practice of China's revolution and construction. It is also to negate the construction of socialism with Chinese characteristics. We must uphold Marxism-Leninism-Mao Zedong Thought at all times and shall under no circumstances equivocate and vacillate.

Practice has proved that Volumes I to IV of the *Selected Works of Mao Zedong* are scientific works that can withstand the test of history. These important historical documents and works played a great role in guiding the victory in the Chinese people's revolution and in establishing the PRC during the period of the new democratic revolution. The fundamental principles expounded by them still illuminate brightly today. For instance, the expositions on integrating the universal truth of Marxism-Leninism with China's concrete practice and on creatively solving the ideologies for various issues in the Chinese revolution are extremely valuable theoretical wealth, as are those on ideologies regarding the mass line, party building, the establishment of a people's democratic dictatorship, the united front, the people's army, and ideological and political work. The same is true with the expositions on ideological and working methods and on keeping to such ideologies as dialectical and historical materialism. These expositions still serve as significant guides for us to settle a series of important issues in socialist modernization. We must forever hold aloft the banner of Mao Zedong Thought. This is a

common conclusion reached by all comrades in the party after undergoing countless experiences and drawing numerous lessons.

Since the Third Plenary Session of the 11th CPC Central Committee, proletarian revolutionaries of the old generation represented by Comrade Deng Xiaoping have criticized the erroneous thinking of "two whatevers" [resolutely upholding whatever policy decisions Chairman Mao made and unswervingly following whatever instructions Chairman Mao gave] and have restored the ideological line of seeking truth from facts and proceeding from reality in everything, thus pointing out the direction for correctly studying and applying the scientific tenets of Mao Zedong Thought as an integral whole. Comrade Deng Xiaoping pointed out: "From numerous viewpoints, now we still have to do those things that Comrade Mao Zedong proposed but did not do, set right the erroneous objections he raised, and do well those things that he failed to do well. We should still do this for a considerable time from now on. Of course, we have made progress and will continue to make progress." Practice of socialist modernization during the past decade and more in our country has proved that the theory of building socialism with Chinese characteristics advanced by Comrade Deng Xiaoping and the party's basic line for the present stage are absolutely correct. This theory and this line have upheld and developed Mao Zedong Thought, enriched the theoretical treasure-house of Marxism-Leninism, and are major contributions to the socialist cause.

Recently Comrade Jiang Zemin has once again stressed the need to strengthen the building of the party with respect to theory and pointed out: "In order to discern and frustrate the peaceful evolution plot of hostile forces at home and abroad and build a 'great wall of steel' in the people's minds to resist the peaceful evolution, it is most important to arm the whole party, the whole army, and the people throughout the country with Marxism-Leninism-Mao Zedong Thought." We should take the opportunity of the publication of the Second Edition of *Selected Works of Mao Zedong*, Volumes I to IV, to greatly push forward the ongoing campaign for the study of the Marxist-Leninist theories. Integration of theory with practice is a study style consistently advocated by Comrade Mao Zedong. Study of the Second Edition of *Selected Works of Mao Zedong*, Volumes I to IV, must be combined with the study of the basic Marxist-Leninist principles, with the study of the line, principles, and policies formulated since the Third Plenary Session of the 11th CPC Central Committee, with the study of the works of proletarian revolutionaries of the old generation, including Zhou Enlai, Liu Shaoqi, Zhu De, Deng Xiaoping, and Chen Yun, with the study of the CPC's history and the party building theory, with the education in modern history and in our national conditions, with the struggle against peaceful evolution, and with the current practice of construction and reform so as to clarify and answer some major practical questions in terms of theory. Everyday the broad masses of the people

are creating new things and fresh experiences. We should use Marxism-Leninism-Mao Zedong Thought as a guidance, go deep into reality, and proceed with theoretical exploration, generalization, and creation so as to incessantly enrich and develop Mao Zedong Thought. We firmly believe that as long as we persist in doing so, we will certainly be able to raise the whole party's Marxist-Leninist theoretical level to a great extent and guarantee our continued victorious advance along the road of building socialism with Chinese characteristics.

### Guidebook Published

OW0207010291 Beijing XINHUA Domestic Service  
in Chinese 2007 GMT 30 Jun 91

[Text] Beijing, 1 Jul (XINHUA)—On the eve of 1 July, the XINHUA Publishing House published *A Guide to the "Selected Works of Mao Zedong (Second Edition)"* to coordinate with the study and propaganda of the *Selected Works of Mao Zedong (Second Edition)* and help the vast reading public comprehensively and correctly grasp the system of theories, as well as the essential spirit of Mao Zedong Thought.

The book was written by theoreticians working for the Propaganda Department of the CPC Central Committee, the Party Literature Research Center, and other units. Based on "Resolutions on Certain Historical Issues Since the Founding of the People's Republic" adopted by the CPC Central Committee, it combines the exposition contained in the resolutions of the Seventh Plenary Session of the 13th CPC Central Committee on the basic theory and practice of building socialism with Chinese characteristics to systematically and comprehensively explain the theoretical system of the *Selected Works of Mao Zedong (Second Edition)*, as well as the significance of publishing and studying this important work under the new situation.

The book is divided into two parts. The first part gives a detailed explanation of the basic theory. Explaining the profound in simple terms, it discusses the integral parts of Mao Zedong Thought as well as the basic theory from 12 aspects in such a way that it is easy for the reading public to understand. The second part deals introduces the important chapters. Introducing the 64 important articles contained in the *Selected Works of Mao Zedong (Second Edition)* one by one, it gives a general description of the background of these articles, their main content, and historical and immediate significance. With accurate and substantial content, it is helpful guidance material for studying the *"Selected Works of Mao Zedong (Second Edition)"*.

The book is being sold at the XINHUA Bookstore in all areas successively.

### Military

#### Article Views Life in Beijing Group Army

HK0207120691 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No. 25, 24 Jun 91 pp 16-17

[By Yi Jianru (2496 0313 1172), Li Huamin (2621 0553 3046), and Chen Hui (7115 6540): "Elegant Demeanor of Chinese Army: What Is Seen, Heard in a Beijing Military Region Group Army"]

[Text] We very recently watched a scene on the drilling ground of a Beijing Military Region group army: Fully armed soldiers marched along all the roads leading to the drilling ground in apple-pie order, while streams of armored vehicles, tanks, mining- vehicles, self-propelled guns, and engineering machinery trucks moved on one after another. Three green signal flares shot up in the sky. Promptly, 17 square formations under review passed through the reviewing stand, marching in step and high morale. Tank groups carrying infantrymen and antichemical warfare troops moved quickly along the open terrain with their motors roaring and their caterpillar treads quickly whirling along. Like several "fiery dragons," they dashed toward the "enemy" blockhouses with incessant deafening shots of guns and tank cannons fast as lightning aiming at their targets.

Suddenly, a huge roar was heard from afar, and a "mushroom cloud" soared into the sky. Upon the simulated atomic explosion, the antichemical warfare reconnaissance vehicles drove at top speed toward the explosion site for chemical observation of the "mist and smoke." Shortly afterward, spraying trucks moved onto the site on a sterilization mission to open the way for the troops.

Some target drones were in the air in all their arrogance. At times, they were reconnoitering at a very high altitude; at others, they would dive and maneuver a roll, while ejecting smoke. At this point, the air defense forces that have rendered meritorious services in safeguarding the motherland's territorial air space hurried in! Radar scanners spinned at top rate, and the commanding apparatus soon entered a combat state. A fire network consisting of 57 groups of anti-aircraft guns soon brought down all target drones within three minutes.

In front and to the left of the reviewing stand, "enemy" tank groups were breaking through the rather weak infantry defense. At this critical moment, a "thunder storm with mines" fell from the sky. Instantaneously, an antitank mine field took shape right in front of the tank groups, which were trapped right where they were. This fabulous performance of rocket-propelled mine-laying promptly won warm applause.

Of the 40 military performances, including scouts' hand-to-hand fights with "enemy" soldiers and the latter being captured, electronic-countermeasures units sending out interference, staff officers marking charts of the situation in the sky, medics rendering first-aid service on the front,

signal units setting up telecommunications stations and their normal operation, and engineer units removing mines, excellent results were scored in 35, and the rest were satisfactory.

Sitting beside the reporters were scores of generals, most of whom hailed from troops that have niches in the corridor of fame in People's Liberation Army [PLA] history. They kept praising the performances, saying that this unit "is worthy of its name".

In the wake of the performance for inspection and learning, we visited a division "officer training center." When we arrived, we seemed to have entered a battlefield. Simulated gunfire and bombardment made things almost real. There were famous military works of various descriptions, ancient and modern, Chinese and foreign. On a classroom's widescreen television, World War II scenes were being shown. The command center was equipped with an automated command system consisting of a large operational sand table, computers, and electronic communications equipment. The narrator told us that this training center has the capacity for several regimental commanding organs under division headquarters to conduct simulated tactical and campaign exercises. Such a center is set up in all units at and above group army. Grass-roots officers must train here every year on a rotation basis, which is regarded as "an indoor battlefield and officers' cradle."

In recent years, they conducted the first campaign exercise of China's northern troops in scorching heat. They got 16 A's in the military examination sponsored by the Beijing Military Region and the PLA General Staff Headquarters. In 12 items for competition, they ranked top in 11, and second in one.

### Rich and Colorful Barracks Life

Leaving the strained training ground, the barracks were another scene for us.

On a regiment's artificial ice skating rink, a colonel and a number of soldiers were chasing each other and laughing. Under the this colonel regimental commander's influence, many soldiers became "princes on ice."

In a division-run library, there was a dazzling array of journals. On display were SHIJIE JUNSHI [WORLD MILITARY AFFAIRS], RENMIN WENXUE [PEOPLE'S LITERATURE], JIEFANGJUN WEN YI [PLA LITERATURE AND ART], JIEFANGJUN SHENGHUO [PLA LIFE], and ZHONGGUO QINGNIAN [CHINA YOUTH]. The librarian said that there were more than 100 journals in addition to 10,000 books. Everyday, an endless stream of officers and men would come here to borrow books and journals.

In an infantry company club, a group of servicemen formed a circle around a general and a private first class, watching the two play chess. The young man was not at

all ill at ease, and checkmated the general, who seemed to have no chance of an escape.

Zhou, the Group Army Political Department director, who showed us around, said: There are clubs, libraries, and chess rooms at all levels from the group army down to the company. Today, all units under the group army are equipped with color TV sets, and many units have close-circuit television installed, and purchased their own video recorders, billiard tables, and high-quality musical instruments. There are propaganda teams at division, brigade, and regiment levels.

Director Zhou stated: "The ancient Duke of Zhou's way was characterized by a balance between strain and relaxation. True, sonorous watchwords and shouts while charging at the enemy are heard in barracks, but there should be singing and dancing, too. It is necessary to occupy the barracks with healthy cultural life."

When we arrived at a regiment named after the Red Army, we saw some soldiers form a circle, discussing calligraphy with the help of some twigs. When we entered the regimental headquarters' auditorium, we were surprised to find an exhibition of some 100 pieces of fine calligraphy by officers and men of the regiment. According to a briefing, the regiment has brought up some 100 reputable calligraphers, 11 of whom have become members or council members of calligraphy associations at and above county level, and 17 have won prizes at a national calligraphy competition. The regiment is honored as "a calligraphic regiment."

The moment we got out of the car at an automobile battalion, we heard a band strike up a song "heralding the guests." The band, consisting of some 40 players in all their splendor, was quite a sight. They played a dozen or so numbers, including "The People's Liberation Army March" and "Home From the Target Range." Someone whispered: "That must be the division's cream of musicians who can play such sophisticated musical instruments. No one would believe it to be an amateur band." Then a most convincing scene took place when the players disbanded themselves at the conductor's order at the end of the performance, put down their musical instruments and dashed toward the truck depot. In less than five minutes, 40-some privates were driving their trucks to the center of the car park awaiting further orders. Promptly, the visiting delegation gave them a warm applause.

Life at the barracks is solemn, but colorful. "There is singing at every gathering, recreational activities every weekend, and soirees at every major festival." That is a vivid description of the cultural life here.

### Mess Hall Meals

At noon, we arrived at a regiment's second company, and had lunch together with the company's officers and men. On the dining tables were served the following: cabbage and bean curd, stir-fried eggs with hotbed



chives, stir-fried shredded pork with mushrooms, stir-fried potato chips, and egg soup. The reporter asked one of the privates sitting beside him: "Are the meals here of the same sort every day?" The private said: "There are four varieties of pickles to go with porridge and steam bread for breakfast; for lunch and supper, there are always four dishes and a soup; pork and eggs are served every day." A private threw in a few words in Beijing dialect: "The food here is much better than home!" During our reporting, we met Xu [1776], the group army logistics department director, and asked him to brief us on the group army's supply insurance.

Director Xu said: "The food issue is on top priority in people's life as well as servicemen. In recent years, the state has developed economic construction, and cannot afford greater military expenditures to support the army. We have shown consideration for the state's difficulties and led scores of thousands of officers and men to do pioneering work in the spirit of self-reliance and hard work. In 1985, when the army conducted a streamlining and reorganization, the barracks were worn out and the food at grass-roots units was poor. Today, we have formed a system of diversified production management, and things have turned for the better." Director Xu continued, saying: The group army now boasts a farm, a chicken farm, a pig farm, a fruit orchard, and a fish farm, with self-sufficiency basically achieved in the supply of meat, eggs, vegetables, and subsidized grains. Based on the principle of "leading bodies tightening their belts to make things easier for grass-roots units," the group army headquarters allots 85 percent of the proceeds from production to building and repairing barracks, beautifying the environment, food subsidies, facilities and medical conditions, with great improvement made in grass-roots material and spiritual life.

Over 50 percent of companies under the group army now enjoy steam heating, and 80 percent of its barracks have been appraised as advanced units in gardening and afforestation by the Beijing Military Command and local governments. All troops at and above regimental level have set up their service centers, dormitories, kitchens, and mess halls are equipped with electric fans and refrigerators.

#### **Cradle for Qualified People**

Prior to the report on this group army, the reporter came across a report it submitted to a national conference on exchanging experiences in bringing up qualified people for military and civil purposes, with the following record: Since 1989, the group army has run 183 training classes on technical know-how for civil purposes, recruiting some 3,000 privates, of which 80 percent have acquired certificates of qualification.

The PLA started bringing up qualified people for military and civil purposes at Deng Xiaoping's initiation in 1978. This group army's accomplishments attracted us to give them special coverage.

An impressive "building for nurturing qualified people" of a division came to our view. That was a training base for bringing up dual-purpose qualified people with a capacity of 300 students, equipped with classrooms; labs; living quarters; whole-ranging electrical audio-visual aids; and rather stable teaching, administrative, and logistics personnel. Statistics show that the group army boasts 18 such bases. Here a dozen or so vocational training classes are run, including electrical home appliance repair, fine arts and photography, farming, cooking, and sewing. Veteran soldiers serving in this division basically have a chance to study here on a rotation basis. Each of them will receive one or two certificates of qualification jointly issued by the army and locality when the term ends.

Coming out of the "building for nurturing qualified people," we met a young man with shoulder loops distinguishing him as a student. His name was Fan Yang [5400 2254]. He became a projection operator at a division film projection team when he was recruited in 1987. Through studies at a fine arts class at one of those bases, he mastered the skill of painting, and had 50-some of his works successively published in RENMIN RIBAO and JIEFANGJUN BAO. He has run an exhibition in his home town, and four of his works were selected and exhibited at the "Exhibition of Art Works Portraying Sino-Japanese Friendship" in Japan. Because of his outstanding attainment, he was sent to Shijiazhuang Land Force Academy to further his education. This time, he has returned to the division headquarters to conduct fieldwork before graduation. We congratulated the young man for his success. With feeling, he said: "Had it not been for the dual-purpose training, things would not have been the same for me. I am deeply grateful to the army leadership for creating such a sound environment for bringing up qualified people."

Following that, we visited a regiment's command company. In an earlier circular, the Beijing Military Region commended this very company for its accomplishments in bringing up dual-purpose qualified people. The company's political instructor briefed us in detail on how the company's dual-purpose qualified people displayed their skills to the full in the wake of their demobilization: "Top calligrapher" Lu Xitong [0712 6932 6894] returned home when he was demobilized during Spring Festival. He then wrote an antithetical couplet on scrolls for each of the 90 households in the village, and his reputation soared. The county commission for planning, the militia department, and the parenthood planning office vied to employ him. Eventually, he selected a post as clerk in the militia department. Soldier Meng Qingbin [1125 1987 6333] studied radio repair in the army. When he returned to his hometown, he started his own radio repair service center, and became a 10,000-yuan household in less than three years. Liu Weisheng [0491 4850 0524], who had training in civil engineering mapping, was promptly recruited by the county bureau of

water resources upon returning home after demobilization. Over the years, 31 of the company's demobilized servicemen have been recruited by enterprises and institutions as professionals.

At a division farm, we found an approach by which the bringing up of dual-purpose qualified people is linked to agricultural and sideline production. By this approach, the farm initiated specialized classes for farming, breeding, and processing of agricultural and sideline products. The farm director happily said: This approach has a three-fold advantage with qualified people brought up, production promoted, and income increased. Their training classes for nurturing qualified people for civil purposes have brought in some 160,000 yuan in cash.

#### Lin Biao Role 'Problem' for Army Film Writers

OW2506134591 Beijing XINHUA in English  
1132 GMT 25 Jun 91

[Text] Beijing, June 25 (XINHUA)—The Loess Plateau, northwest China, in the spring of 1948: rolling hills and deep valleys spread as far as the horizon, villages, cave-dwellings and the thawing Yellow River can be seen dimly.

Communist Party of China (CPC) leader Mao Zedong climbs a slope and looks over the landscape before murmuring: "So, we are bidding farewell to northern Shaanxi in such a hurry."

This is the first scene of a monumental war film, "The Decisive Battles", which depicts the three great campaigns, in which the People's Liberation Army led by the CPC wiped out 1.54 million troops of the Kuomintang in the final stage of the liberation war (1946-1949).

From September 12, 1948 to January 31, 1949, the CPC and the Kuomintang deployed more than three million troops to engage in three campaigns—the Liaoxi-Shenyang campaign, the Beiping-Tianjin campaign and the Huaihai campaign—in a vast area from valleys of the Songhuajiang and Liaohe Rivers in northeast China to the valleys of the Yangtze and Huaihe Rivers in south-east China.

In an exclusive interview with XINHUA, Major General Xiao Mu, director of the August 1 Film Studio and producer of "The Decisive Battles," said the epic film consists of six parts, which last more than 10 hours in total. More than 100,000 amateurs and extras were employed, in addition to the 300 professional actors and actresses.

He said the film represents about 100 public figures and many war scenes involve more than 100,000 troops. For example, in the "Liaoxi-Shenyang campaign"—the campaign dealt with in the first part—Mao Zedong, Zhou Enlai, Zhu De, Liu Shaoqi, Ren Bishi, Deng Xiaoping, Li Xiannian, Yang Shangkun, Lin Biao and other leaders of

the communist party all appear, as well as leaders of the Kuomintang such as Chiang Kai-shek and his son Chiang Ching-kuo.

Army writers began to write the scenarios of the film in 1976, when the "Cultural Revolution" came to an end. But, their efforts came to nothing because of certain problems. For example, because of political and ideological reasons, it was difficult to decide on the role of Lin Biao, who was commander-in-chief of the northeast field army and betrayed the country more than two decades later.

This problem was solved only after the CPC in 1978 restored its correct way of thinking, which was abandoned during the "Cultural Revolution."

In November 1984 Yang Shangkun, vice-chairman of the Central Military Commission, visited the August 1 Film Studio and urged the producer to go ahead with the film about the three great campaigns.

At the end of 1985, leaders of the Central Committee of the Communist Party of China also expressed their support for production of the film.

With the support of the party Central Committee and the Central Military Commission, Shi Chao, Wang Jun and Li Ping—the three senior screenwriters of the studio—began to write the scenarios and named the film, "The Decisive Battles".

Shooting of "The Decisive Battles" started in October 1989. Li Jun was appointed general director, and Yang Guangyuan, Cai Jiwei and Wei Lian were appointed chief directors.

"The decisive battles" not only depicts the military struggles but also presents the political, economic and cultural struggles and other factors affecting the war, such as the economic crisis of the Kuomintang regime.

The film also sets the military struggle in its international context, such as the U.S. military support for the Chiang Kai-shek regime.

The film combines realism with romanticism, General Xiao said.

The first and second parts of the series will be shown to the public soon throughout China, Xiao said.

Chinese leaders Jiang Zemin, Li Peng, Song Ping and Li Ruihuan all saw a preview earlier this month.

Jiang, general secretary of the CPC Central Committee, said the film is much better than the war films produced in the past.

He said the film successfully deals with the problem of presenting leading figures under specific historical conditions. "When depicting history, it is necessary to adhere to historical materialism," Jiang said.

### Cheng Guangyi Attends Fujian Militia Conference

HK0107070491 Fuzhou Fujian People's Radio Network  
in Mandarin 1000 GMT 28 Jun 91

[Excerpts] The three-day Seventh Fujian Provincial Conference of People's Militia Representatives concluded in Fuzhou today. Leaders of the Nanjing Military Region as well as our province's party, government, and military leaders, who attended the closing ceremony and sat in the front row on the rostrum, included: Guo Tao, Chen Guangyi, Chen Shuqing, Lin Kaiqin, Wang Jian-shuang, Chen Mingyi, Zhang Yumin, Su Changpei, (Jiang Shikun), (Lu Binlin), and others. Major General (Chen Minzhuang), provincial military district deputy commander, read out a naming decision and a commendation circular issued jointly by the provincial party committee, government, and military district. [passage omitted]

Leading comrades, including Guo Tao, Chen Guangyi, Chen Shuqing, and others, conferred certificates of merit on the representatives of the advanced units and advanced individuals.

Lieutenant General Guo Tao, Nanjing Military Region deputy commander, pointed out at the closing ceremony: Party committees and governments at all levels as well as the broad masses of people in Fujian Province have the glorious tradition of loving the motherland, supporting the army, and attaching great importance to the armed forces building work. [passage omitted]

Guo Tao called on the provincial military district, various military subareas, and people's armed forces departments to fully understand the realities in Fujian and make new contributions to the attainment of the second-stage strategic goal and the building of a powerful reserve force under the leadership of the party committees and governments at all levels.

Chen Guangyi, provincial party committee secretary and provincial military district party committee first secretary, laid stress on the following aspects of work at the closing ceremony:

1. To adhere to and develop the glorious tradition of the party controlling the armed forces, inherit the ideology of the people's war, develop the fine tradition of the people's troops and the reserve forces uniting as one and fighting shoulder to shoulder, fully understand the position and role of the reserve force building work in the entire national defense work, and comprehensively embody the fundamental principle of the party controlling the armed forces;
2. To give full play to the backbone and leading role of the people's militia in the struggle to fulfill the two major tasks set for the 1990's;
3. To strive to build a people's militia force that is politically qualified, organizationally flawless, and militarily competent;

4. To earnestly strengthen leadership over the people's militia reserve force work.

Chen Guangyi called on party committees and governments at all levels across the province to place people's militia reserve force work within their target-oriented responsibility system and strengthen close cooperation among the party, government, army, and masses so as to form a unifying force to ensure the smooth progress of the people's militia reserve force work.

The closing session also approved a written proposal written by the deputies to the Seventh Fujian Provincial Conference of People's Militia Representatives to all the people's militiamen across the province.

### Economic & Agricultural

#### State Council Spokesman Discusses Economy

HK0107030091 Beijing JINGJI CANKAO BAO  
in Chinese 12 Jun 91 p 1

[Report: "Yuan Mu Answers Foreign Experts' Questions on Economic Situation, Development; by Zhang Dafei (4545 6671 7378)"]

[Text] According to a report carried in ZHONGGUO YINGJIN BAO [CHINA IMPORTS], the State Bureau of Foreign Experts Affairs held a forum of some foreign experts in Beijing at the Friendship Guesthouse on 30 May. Yuan Mu, director of the State Council's Research Office and State Council spokesman, who was invited to the forum, gave an account of the gist of China's 10-Year Program and Eighth Five-Year Plan and answered questions of interest to foreign experts. More than 60 foreign experts were present on the occasion.

[Foreign expert] China's modernization program requires large numbers of well-trained, qualified, and specialized scientific and technological personnel. Is it possible to adopt more measures, say, increasing their wages by 50 percent, to attract them to engage in the building of the four modernizations?

[Yuan Mu] On the whole, the remuneration of China's scientists, technicians, education personnel, doctors, and other intellectuals is relatively low. It is restricted mainly by China's current economic conditions. To resolve this problem, apart from overall consideration and making some readjustments in the reform of the wage system, China plans to continue to increase the monthly special subsidies of intellectuals who have made significant or more contributions, the subsidies to be added to normal incomes. Along with economic development, the state will continue to adopt measures from two aspects to gradually increase the remuneration of intellectuals. Naturally, it is very difficult, or even impossible, for us to increase the wages of all intellectuals by 50 percent, as you propose.



[Peruvian expert] It has been reported that two-thirds of China's state-owned enterprises are suffering from deficits. Top Chinese leaders have stressed on numerous occasions that political reform will be introduced along with economic reform. How will the political reform be introduced?

[Yuan] It is true that some state-owned enterprises are suffering from deficits. The number accounts for 40 percent, less than two-thirds. On the relations between economic and political reform, China's reform started from the economic field, particularly from the rural areas, which rapidly benefited the people, attracted more people to participate in reform, and enlisted their support. Meanwhile, we hold that the deepening of economic reform will involve certain changes in the political structure. When political reform is necessary, we will lose no time in introducing it. This is what we are doing now. There are a few principles for introducing political structural reform: We hold that socialism cannot deviate from a state political power of the people's democratic dictatorship led by the working class and based on a worker-peasant alliance. The current system of people's congresses is the concrete organizational form of this political power. In this people's political power, we must uphold party leadership. Hence, our political structural reform will be based on further perfecting the system of people's congresses rather than following the parliaments and democracy of the West. We uphold party leadership and at the same time implement the system of political consultation and multiparty cooperation under Communist Party leadership. We will never follow the practice of the West, where two or more parties assume rule in turn.

In recent years, the CPC has done a great deal of work in strengthening multiparty cooperation with the democratic parties and in political consultations. Our democratic parties are parties discussing and taking part in political affairs rather than opposition parties or parties which are not in power. We believe that our country can be properly administered through cooperation between the Communist Party and other democratic parties under CPC leadership. We should also continue to implement the principle of separating party leadership from government administration. The Communist Party will not interfere in specific administrative affairs and will let the government independently perform its functions. This move is aimed at further strengthening party leadership rather than weakening it. Under CPC leadership, we believe that consolidating the leading position of the working class, enhancing the worker-peasant alliance, and practicing the people's democratic dictatorship can extensively and essentially manifest the democratic system. It is indeed groundless for some Western countries to throw mud at us, equating our party leadership with autocratic rule. Naturally, our socialist democratic system is still imperfect. We cannot yet introduce

economic privatization and a complete market economy. Similarly, we cannot introduce political diversification and multiparty politics.

[Nepalese expert] How big is the widening gap between the coastal areas and the interior? What measures do you plan to adopt to narrow the gap?

[Yuan] China's uneven economic development is determined by long-standing historical conditions and certain geographical factors. It is a question left over from history rather than one that has cropped up currently. The coastal areas have developed rapidly thanks to the preferential policies offered by the state and to their favorable geographical conditions, which can be used to open up to the outside world and develop an export-oriented economy. The coastal areas have not developed rapidly at the expense of the interests of the interior. The rapid development of coastal areas has no disadvantages. The preferential policies offered by the state to the coastal areas will remain unchanged. A check in coastal development will be disadvantageous to the country as a whole. Meanwhile, we set a requirement in the 10-Year Program and Eighth Five-Year Plan adopted at the Seventh Plenary Session of the 13th CPC Central Committee, that is, that the developed coastal areas should help the underdeveloped interior areas. Such help should be based on equality and mutual benefit. The main form is to guide and organize the developed coastal areas to sign contracts or agreements with the interior and establish lateral associations. In a word, rationalization of the country's economic distribution and gradual easing of the problems caused by uneven regional economic development constitute a question which requires protracted efforts and which can be resolved step by step. It is unlikely and unimaginable that the problem can be resolved promptly by adopting certain measures.

#### XINHUA Notes Crackdown on Trademark Abuses

OW2906013191 Beijing XINHUA in English  
0110 GMT 29 Jun 91

["Serious Punishment for Trade Mark Forgers"—XINHUA headline]

[Text] Beijing June 29 (XINHUA)—Fake trade mark users will be strictly punished according to law, today's "CHINA YOUTH NEWS" [ZHONGGUO QINGNIAN BAO] reported.

Bian Yaowu, deputy director of the State Administration for Industry and Commerce, was quoted in the paper as saying this at a news conference Thursday.

Bian pointed out that there has been a sharp rise in the number of people manufacturing and selling products with fake trade marks in recent years.

Statistics show that in 1990 a total of 13,294 such cases were prosecuted. The fines imposed in these cases reached 18.93 million yuan.

## Central-South Region

### Guangzhou Issues Most Wanted Criminal List

HK0307074691 Hong Kong TA KUNG PAO in Chinese  
3 Jul 91 p 4

["Special dispatch" by staff reporter Yang Wei-min (2799 4850 2404): "Guangzhou Issues Wanted Circular for 100 Major Criminals"]

[Text] Guangzhou, 2 Jul (TA KUNG PAO)—The Public Security Bureau of the city of Guangzhou will issue Wanted Circular Number One tomorrow (3 July) in order to apprehend criminal elements who have seriously undermined social peace and stability and who are still at large. The circular lists 100 major criminal elements who have been indicted but who are still at large. This is yet another key measure taken by the bureau in its effort to deal severely against criminal activities.

The most wanted criminal elements on the list have escaped after committing serious crimes like murder, theft, gun and drug trafficking, rape, and robbery in the various prefectures and counties in the city. For instance, two of the suspects involved in an armed robbery of a clock and watch store and the murder of its shopkeeper in the city last 28 December were apprehended by the police and subsequently executed. But the principal suspect Lu Jing remains at large. Another wanted criminal, Xu Yinsheng, murdered a taxi driver, threw the body into a water dam, and escaped with the car on 16 August the previous year; he, too, is still at large.

After making public the names, photographs, and basic descriptions of the wanted criminals, the city's public security bureau will post this information in train stations, ports, and public venues in the hope that the public will actively turn in the criminals. Successful informants will receive awards. Criminal elements who turn themselves in will be subject to leniency according to the law.

### Dong Hongxun Inspects Hainan Antipoverty Work

HK0307025491 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 29 Jun 91

[Excerpts] On 28-29 June, provincial party Secretary Deng Hongxun, provincial Governor Liu Jianfeng, provincial Vice Governor Chen Suhou, and provincial Chinese People's Political Consultative Committee [CPPCC] Vice Chairman Wang Yuefeng inspected work on supporting the impoverished in Changjiang, Baisha, and Qiongzong Counties. These provincial leaders pointed out: work to support the impoverished is a matter of primary importance in our province. We should be determined to help the poor masses in our province eradicate poverty in three to five years.

Provincial leaders Deng Hongxun, Liu Jianfeng, and others listened to reports by the three provinces on work

supporting the impoverished since the establishment of the province, and their present plans for the work. [passage omitted]

They affirmed the achievements of the three provinces in helping the poor masses embark on the road of getting rid of poverty through their hard work. They also highly praised efforts made by Changjiang and Baisha counties, and others to establish sisal hemp, rubber and mango bases by adopting a method of unified planning, large-scale development, separate management, and specialized service.

Provincial leaders also stressed the significance of developing courtyard economy in work supporting the impoverished. Deng Hongxun said: We should mobilize thousands upon thousands of households to follow the spirit of the foolish old man who removes the mountains to fully make use of open grounds in front or at the back of their houses, as well as barren hills and mountain slopes around to extensively develop farming and breeding undertakings to increase production with an aim of enriching themselves. With regard to industrial development of poor areas, provincial leaders pointed out: Only by developing industry can poor areas become rich at an early date. However, we should stop the practice of some areas of establishing factories blindly, which caused them to lose money and take on heavy burdens. We should pay more attention to large-scale development and efficiency of factories than their quantity.

Provincial leaders also called on poor areas to extensively provide the masses with education and training to improve the quality of laborers to further increase their capability in becoming rich, so that the road of overcoming poverty and becoming rich will become wider and wider.

### Guan Guangfu at Hubei Statue Unveiling

HK0207025591 Wuhan Hubei People's Radio Network  
in Mandarin 1130 GMT 28 Jun 91

[Excerpts] This morning, party, government, and military leaders of the province and of the city of Wuhan, as well as more than 1,000 people from all walks of life gathered at Wuchang's Hongchang Square to attend a solemn ceremony of unveiling a statue of the late Comrade Dong Biwu, who was one of the founders of the CPC, a great Marxist, a brilliant proletarian revolutionary, and an outstanding leader of our party and state. [passage omitted]

The unveiling ceremony was presided over by Zheng Yunfei, provincial party committee standing committee member and Wuhan City Party Committee secretary. [passage omitted]

Entrusted by the party Central Committee, (Huang Di), Central Advisory Committee member, had especially arrived in Wuhan to attend today's unveiling ceremony. [passage omitted]

Qian Yunlu, provincial party committee deputy secretary, read out a congratulatory telegram sent by Li Xiannian, Chinese People's Political Consultative Conference [CPPCC] chairman, to the unveiling ceremony.

On behalf of the provincial party committee and government as well as the Wuhan City Party Committee and the Wuhan City Government, Guan Guangfu, provincial party committee secretary, delivered a speech at the unveiling ceremony.

Guan Guangfu said: Comrades, at a time when the whole party and the people of the whole country are celebrating the 70th anniversary of the founding of the CPC, we are gathering here to hold a solemn ceremony to unveil the statue of the late Comrade Dong Biwu, who was one of the founders of the CPC, a great Marxist, a brilliant proletarian revolutionary, and an outstanding leader of our party and state. On behalf of the Hubei Provincial CPC Committee, the Hubei Provincial People's Government, the Wuhan City CPC Committee, and the Wuhan City People's Government, I cherish the profound memory of and pay high tribute to the late Comrade Dong Biwu, who had made immortal contributions to the Chinese people's revolutionary cause. I also extend warm congratulations to the erection of the statue of the late Comrade Dong Biwu. [passage omitted]

Guan Guangfu said: We must learn from the late Comrade Dong Biwu by displaying loyalty to the communist cause, always standing in the forefront of great historical changes, keeping abreast with the trend of the times, constantly forging ahead, properly integrating the universal truth of Marxism-Leninism with the concrete realities in China, seeking truth from facts, proceeding from actual conditions in doing work, demonstrating a strong proletarian party spirit, taking a firm stand, distinguishing right from wrong, correctly implementing the party's line, principles, and policies, developing the spirit of wholeheartedly serving the people, working diligently and honestly, maintaining close ties with the masses, working hard, and devoting all we have to the revolutionary cause. [passage omitted]

Guan Guangfu finally said: We must follow the example of the late Comrade Dong Biwu, be loyal to the party's cause, rally closely round the party Central Committee with Comrade Jiang Zemin as the nucleus, successfully carry out all types of work in Hubei, carry on the socialist revolution and construction cause pioneered by the old generation of the proletarian revolutionaries, and make our due contributions to building socialism with salient Chinese characteristics.

Leading comrades of the provincial party committee, advisory committee, people's congress, government, CPPCC committee, and military district, including Ding Fengying, Tian Qiyu, Li Daqiang, Chen Ming, Huang Zhizhen, Han Nanpeng, Shen Yinluo, Lin Shaonan, Wang Jieqing, and others, attended the unveiling ceremony. [passage omitted]

Wuhan City's principal party and government leaders, including Zhao Baojiang, (Xie Peidong), and others, also attended the unveiling ceremony. [passage omitted]

Among those attending today's unveiling ceremony were also some Wuhan-based Central Advisory Committee members, including Zhang Caiqian, Zhao Xinchu, Han Ningfu, and Yan Zheng. [passage omitted]

#### **Xiong Qingquan Watches Hunan Revolutionary Drama**

HK0307023091 Changsha Hunan People's Radio Network in Mandarin 2200 GMT 30 Jun 91

[Excerpt] A grand song and dance drama, "Red Azaleas Blossom Crimson Throughout Hunan," which depicts the revolutionary struggle of the people in Hunan since the founding of the CPC, was staged at the Hunan Theater yesterday evening [30 June]. Provincial party and government leaders Xiong Qingquan, Chen Bangzhu, Sun Wensheng, et al watched the performance. [passage omitted]

#### **At Ceremony for Mao's Works**

HK0307042891 Changsha Hunan People's Radio Network in Mandarin 2200 GMT 30 Jun 91

[Excerpts] Yesterday morning [30 June] a ceremony was held at the XINHUA Bookstore in (Yanjialing), Changsha, to mark the first distribution of the second edition of Mao Zedong's Selected Works. Provincial party, government, and military leaders Xiong Qingquan, Yang Zhengwu, Liu Fusheng, Wang Xiangtian, Jin Feng, et al attended. [passage omitted]

Yang Zhengwu, deputy secretary of the provincial party committee addressed the ceremony. He said: On the occasion of the CPC's 70th founding anniversary, the second edition of Selected Works by Mao Zedong was solemnly published and distributed. This is a major event in China's political life and party building. Mao Zedong Thought is the result of combining Marxism-Leninism with China's actual conditions and also of the application of Marxism-Leninism in China and development of the theory. Comrade Mao Zedong is a brilliant example integrating Marxism-Leninism with the concrete practice of revolution. The second edition of Mao Zedong's Selected Works contains more articles than his previously published selected works and the notes to the articles more satisfactory. The second edition of Mao Zedong's Selected Works provides more favorable conditions for the whole party and people to comprehensively and intensively study Mao Zedong Thought. This is of great realistic and far-reaching historical significance to the whole party and whole people consistently and unrelentingly holding high the great banner of Mao Zedong Thought and carrying through to the end the revolutionary cause pioneered by the proletarian revolutionaries of the older generation.

Yang Zhengwu stressed that Mao Zedong Thought is a scientific theory which has stood many tests for a long time in the past. It was, is, and will be a guidance for our



actions. We must conscientiously study writings by Marx, Lenin, and Comrade Mao Zedong and also writings by Comrade Deng Xiaoping and other proletarian revolutionaries of the older generation to raise the whole party's Marxist theoretical level, see through the change in the international situation to grasp the essence, and push forward modernization construction and reform and opening.

Yang Zhengwu finally said: The people in Hunan have developed deep and incomparable feelings for Mao Zedong Thought and Comrade Mao Zedong. A total of 820,000 sets of the selected works have been distributed in Hunan, entitling Hunan to rank first among other provinces and regions throughout the country.

All levels of party committees must strengthen leadership over and meticulously organize a vigorous mass campaign for studying Marxism-Leninism-Mao Zedong Thought. Provincial party committee Secretary Qiong Qingquan cut the ribbon at the ceremony. [passage omitted]

### Southwest Region

#### Tibet Leaders Meet Guangzhou Business Delegation

OW0107135191 Lhasa Tibet Television Network  
in Mandarin 1200 GMT 29 Jun 91

[From the "Tibet News" program]

[Text] A delegation from the Chamber of Commerce of Foreign-Invested Enterprises of the Guangzhou City Federation of Industry and Commerce arrived in Lhasa on 28 June for a four-day investigation tour of Tibet.

Raidi, deputy secretary of the autonomous regional party committee; Mao Rubai, vice chairman of the autonomous regional people's government; and Zheng Ying, vice chairman of the autonomous regional Chinese People's Political Consultative Conference [CPPCC] committee and head of the united front work department of the autonomous regional party committee, received all the delegation members on the afternoon of 29 June, and had some photographs taken to mark the occasion. [video shows Tibet leaders shaking hands with the visitors]

Qaba Gaisang Wangdui, vice chairman of the autonomous regional CPPCC committee and head of the autonomous regional industry and commerce preparatory group, briefed the delegation members on the preparations in Tibet to set up the federation of industry and commerce. Qaba Gaisang Wangdui said: Thanks to the leadership and concern of the autonomous regional party committee and people's government and the All-China Federation of Industry and Commerce, the Tibet Autonomous Regional Industry and Commerce Preparatory Group has actively organized relevant personnel from the prefectures and cities during the past 6 years to go to the inland for investigation and study tours, and has

participated in the relevant business activities and trade fairs held by the industry and commerce sector. On two occasions in Lhasa and Xigaze, it received businessmen from Nepal, and held business talks with them, thereby promoting trade contacts between Tibet and Nepal. In addition to that, it also has established the industrial trading company of the federation of industry and commerce to engage in lateral economic linkups, laying a sound foundation for the official inauguration of the autonomous regional federation of industry and commerce. [video shows Qaba Gaisang Wangdui reading from notes to brief the visitors]

#### Tibet Benefits From Regional Autonomy Policy

OW2906071791 Beijing XINHUA in English  
0611 GMT 29 Jun 91

[Text] Lhasa, June 29 (XINHUA)—The regional national autonomy implemented in China has made it possible for Tibet to develop its national politics, economy, culture and education independently over the past few decades.

Regional national autonomy is a basic policy carried out in the areas inhabited by China's minority nationalities. The autonomy allows the ethnic minorities to run their local affairs. Tibet is one the five autonomous regions in China.

Namgyai, vice-chairman of the Standing Committee of the Tibet Autonomous Regional People's Congress, said that the Tibetan people enjoy full rights in managing Tibet.

He said that, according to China's Constitution and the law for regional autonomy of minority nationalities, all the autonomous administrations are elected by the Tibetan people and most of the leaders of these units are of the Tibetan nationality or other ethnic nationalities in the region.

By the end of 1990 the region had more than 27,000 minority-nationality cadres, making up 66.6 percent of the region's total. And cadres of the Tibetan nationality amount to 97.3 percent of the total minority-nationality cadres.

The Tibetan people also elect representatives to the supreme power organizations—the regional people's congress and the National People's Congress—to take part in the administration of the region and the country.

In the aspect of economic construction, Tibet enjoys the decision-making rights to work out its own policies according to its specific conditions and the right to exploit the local natural resources.

The local government has abolished agriculture and animal husbandry taxes, and many industrial and market taxes have been waived. All the tax revenues and other funds raised in Tibet are used in the region.

The region has also developed its border trade with neighboring Nepal, Bhutan, India and Burma.

Meanwhile, Tibet has made great efforts to develop its education and its traditional culture. In the past ten years the region has allocated 34 million yuan (about 6.8 million U.S. dollars) to renovate and build temples to meet the needs of religious believers.

The region has made efforts to protect and improve the Tibetan language. In 1988 alone, the region published more than 2.25 million books in the Tibetan language.

Tibetan traditional medicine has also been fostered. There are 12 hospitals specialising in Tibetan medicine and more than 1,500 doctors and nurses trained in this discipline. Several Tibetan medicine research institutes and colleges have been established in the region.

The local government has funded research into the Tibetan national epic "King Gesar" as well as renovations of ancient monasteries such as the Potala Palace.

To improve the region's education, the local government has increased its education funds year by year. Now there are four universities, 67 middle schools and 2,453 primary schools.

In addition, Tibet has established a number of scientific research institutes for various specialties and trained many scientists and technicians in the past 40 years.

## North Region

### Beijing Think Tank Aids City Management

HK0307031791 Beijing CHINA DAILY in English  
3 Jul 91 p 3

[By Hong Xia]

[Text] Taking advantage of the great concentration of highly-intelligent and well-educated people in Beijing, the municipal government has set up an advisory body which has been playing a significant role in promoting the capital's economic construction, scientific and technological progress and social development.

Established in 1984, this "think tank" comprises nearly 800 experts and scholars from various fields. The municipal government accepts suggestions offered by them when formulating economic and social policies and also when implementing them.

Depending on the requirements of the municipal government, the advisors look at overall planning and comprehensive management of the whole city, and also at specific enterprises.

In the past seven years, they have organized more than 7,200 consultative meetings and provided over 31,000 pieces of valuable information and suggestions.

In addition, the advisory body has helped to get more than 2,000 results in managerial improvement, technological exploration and popularization. Due to its efforts, 60,000 people have been trained, resulting in remarkable social and economic achievements.

In the construction of the city's subway from Xidan station, a method of underground digging or tunneling proposed by the body has been adopted.

As for the capital's overall design, the municipal government has ruled that it will not make any decision until it has heard the views of the advisory body.

For the Beijing Asian Games project, the experts put forward a suggestion for siting the different elements of the plan that saved more than 100 million yuan of construction funds.

The "think tank" also becomes a "golden walking stick" in agricultural promotion, as the Mayor, Chen Xitong, puts it.

### Xing Chongzhi Views Hebei Ecological Agriculture

SK0207131091 Shijiazhuang HEBEI RIBAO  
in Chinese 29 May 91 p 1

[Text] On 28 May, Xing Chongzhi, secretary of the Hebei Provincial CPC Committee, called on the leaders, specialists, scholars, and professors participating in the national meeting to exchange experience in building ecological agricultural (forestry) counties, that was held in Qianan; and also made an important speech on developing ecological agriculture at the meeting.

The meeting was cosponsored by the Ministry of Agriculture, the Ministry of Forestry, the state environmental protection bureau, the China ecological society, and the China ecological economics society from 25 to 30 May. The meeting aimed at implementing the spirit of continuously improving ecological agriculture on a trial basis as set forth in the "Outlines of the 10-year Program for National Economic and Social Development and the Eighth Five-Year Plan." Through the introduction of the experience gained by the pilot counties, the meeting summed up the basic experiences in building ecological agricultural (forestry) counties, explored the prospects for agricultural development and the guiding ideologies for making agricultural development plans, and studied ways for further developing ecological agriculture in China.

Comrade Xing Chongzhi made explanations of ecological agriculture; and expounded the importance and necessity of developing ecological agriculture in the spheres of developing agriculture itself, helping the masses seek wealth, and realizing the target of making the people become comparatively well-off and the requirement of modernization.

In line with the actual conditions of localities, Xing Chongzhi urged the grasping of work in the following

five aspects in order to improve the building of the ecological agriculture in the province.

First, we should further upgrade our understanding. Developing ecological agriculture is not only an objective requirement for developing agriculture itself but also an urgent demand for helping the people seek wealth and become comparatively well-off and for realizing agricultural modernization. Therefore, all localities should pay great attention to this work. Viewing the previous experience and lessons, we know that the localities often ideologically and practically stressed one aspect to the neglect of the other and failed to comprehensively and systematically think of problems. All localities must conscientiously draw lessons in this aspect, overcome the metaphysical viewpoints of agricultural production, and realistically correct our ideological understanding. We should foster the viewpoint that agriculture cannot be developed if we do not systematically grasp agricultural production, and the viewpoint that we cannot guide the people to seek wealth or realize the target of making the people become comparatively well-off and developing socialist modernization if we do not develop ecological agriculture; and really seek unity of thinking.

Second, we should pool efforts from all fronts. Ecological agriculture is a huge system to engineer. So, we must mobilize the forces of all fronts to grasp it. A county should deeply conduct investigation and study to find the symptoms affecting agricultural development, grasp major contradictions, organize and mobilize the forces of relevant departments, make concerted efforts to eliminate this major contradiction, tie manpower and material and financial resources up, and form a fist to thoroughly tackle the most difficult problems. It is certain that we must not ignore or slacken the work in other aspects. At present, the comrades of some departments and units often unilaterally lay stress on the work of their fronts and the work in some aspects, but pay less attention to solving the major contradictions relating to the overall situation and the long-term situation. Some even argue back and forth and form a kind of centrifugal force. This phenomenon should be changed. The comrades of all departments and units should judge problems according to the long-term point of view and in line with the overall situation, consciously submit themselves to and serve the work of solving major contradictions, and strive to form a positive force but not a negative force.

Third, we should scientifically and reasonably make plans. Developing ecological agriculture is a long-term task as well as an overall construction project. We must not attempt to solve the problems in this regard in one day, nor blindly develop ecological agriculture. We must work out an overall plan that takes various factors into consideration and conforms to reality, and make appropriate and necessary measures to develop ecological agriculture in a well-planned and step-by-step manner. Here we must stress is that the plan and measures that we

work out must really conform to the local actual conditions on the premise of not affecting the neighboring areas. We should make a unified plan for developing mountains, rivers, farmland, forests, and roads; make an overall arrangement for developing agriculture, forestry, animal husbandry, sideline occupation, and fishery; coordinately develop industry, commerce, cropping industry, breeding industry, and processing industry; and comprehensively carry out the policies of planting forest fruits, mulberries, oil-bearing crops, and grasses. We should closely link the implementation of the plan and measures with the 10-year program, the Eighth Five-Year Plan, and the target of becoming comparatively well-off so as to make them become an important component part of the local economic and social development.

Fourth, we should persist in and carry out the spirit of arduous struggle. Some people call the development of ecological agriculture change of the Heaven and the land, and some call it a green revolution. It is a great undertaking of realigning, on a large scale, and comprehensively developing territory, which benefits the people of the present age and makes contributions to the people of various centuries. Larger amounts of manpower and material and financial resources must be put in it. Under the current situation where both the state and the province have extremely strained difficulties, we must neither wait for nor depend on the assistance of higher levels. But, we should rely on ourselves and work arduously. Over the past years, some localities have made noticeable achievements in developing natural resources and improving production conditions. An important reason for their achievements is that they have carried forward the spirit of relying on themselves to earn a living and the spirit of arduous struggle. This also includes that we should mobilize the masses to do more accumulated labor, make careful calculation and strict budgeting, bring into play the enthusiasm of the state, the collectives, and the individuals, and try every possible to collect some funds. We should make unswerving efforts to develop ecological agriculture. Therefore, cadres at various levels should resolutely prevent and overcome "shortsighted" behavior, foster the thinking of long-term arduous struggle, have the spirit of the Foolish Old Man who removed the mountains, continue to develop ecological agriculture from one term to another and from one generation to another, never give up until we reach the goal, and guide the masses to realize their targets.

Fifth, we should pay high attention to the functions of science and technology [S&T]. In his speech at the Fourth National Congress of Scientific and Technological Association, Comrade Jiang Zemin further expounded Comrade Deng Xiaoping's scientific thesis that "S&T is the first productive forces," and also emphatically pointed out: Persistently regarding science and technology as the first productive forces and really shifting the focal point of S&T onto the orbit of relying on S&T progress and upgrading the quality of laborers to



develop the economic construction is a wide and deep change, a further deepening of the shift of the work focus as decided at the third plenary session of the 11th party Central Committee, and a measure for promoting the shift to a higher stage. We must deeply understand the implications of the theses and instructions of Comrades Deng Xiaoping and Jiang Zemin, and conscientiously implement them in the course of developing ecological agriculture. Ecological agriculture is taken as a model of modernized agricultural development; and afforestation, the development of water conservancy projects, and environmental protection should embody new modern S&T levels. But, speaking in line with the principle of seeking truth from facts, the projects that some localities are developing, and the products that some are developing cannot embody this requirement. For instance, some newly planted fruit trees are still the varieties that have constantly been developed in the past dozens of years and that have been eliminated by the markets. If this situation is not changed, we will not be able to attain the goal of developing ecological agriculture. Therefore, we must firmly foster the concept that S&T are the first productive forces, strengthen the awareness of S&T, constantly put relying on S&T and making S&T progress in an extremely important position in the course of developing ecological agriculture, and ensure to scientifically plan, organize, improve, use, and develop ecological agriculture. We should really penetrate modernized S&T into various aspects and various links, and make S&T become the first motive power to develop ecological agriculture. Only by so doing will we make a high start and good results in building ecological agriculture, and have powerful reserve strength and increasingly wider prospects for developing ecological agriculture.

Comrade Xing Chongzhi also inspected the pilot ecological agricultural work in Shitizigou of Qianan County.

Present at the meeting were 230 people, including Hong Fuzeng, vice minister at the Ministry of Agriculture; Xu Youfang, vice minister at the Ministry of Forestry; Zhang Runshen, vice governor of the Hebei Provincial Government; Du Jingyi, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference; leaders of 58 ecological agricultural (forestry) pilot counties of 28 provinces, cities, and autonomous regions; some specialists and scholars engaged in the study of ecological agriculture (forestry); leaders of the agricultural and forestry departments of some provinces and municipalities; representatives of the departments concerned under the State Council; heads of the provincial, municipal, and autonomous regional agricultural environmental monitoring stations who attended the meeting on the study of ecological agricultural planning; and representatives of Hebei Province and Tangshan City.

#### On Administrative Honesty

SK0307085091 Shijiazhuang HEBEI RIBAO  
in Chinese 3 Jun 91 p 1

[Text] On 31 May, Xing Chongzhi, secretary of the provincial party committee, made a speech at the provincial meeting on improvement of party spirit and

administrative honesty. He said that we explored many successful experiences in the course of improving party spirit and administrative honesty.

1. We must persist in the guiding ideology of serving the party's basic line. The adherence to the guiding ideology of making discipline inspection and supervisory work serve the basic line of the party is to serve the implementation of the 10-year program and the Eighth Five-Year Plan. This is to serve all directions with the economic construction as a key link and is of crucial and fundamental importance. Therefore, we must think of and arrange our work and conduct the discipline inspection and supervisory work closely in line with this central link so as to ceaselessly eliminate the negative and corrosive phenomenon existing within party and government organs and society, to make contributions to creating a stable social environment, to ceaselessly solve the much-debated problems that the people complain of a great deal, to make the people feel easy, to fully arouse the people's enthusiasm for developing the material and spiritual civilizations, to let bourgeois liberalization find no support among the people, to resolutely resist peaceful evolution, and to ensure the socialist modernization orientation.

Second, we must persistently make the whole party grasp the improvement of party spirit and administrative honesty and set up a strict responsibility system. 1) Secretaries of party committees at various levels should engage themselves in the improvement of party spirit and administrative honesty. 2) "Ordinary people" of party committees should regularly attend to it. 3) Functional departments should concentrate efforts on grasping the work. 4) Party organizations of all departments should actively attend to it.

Third, we must persist in the principle of running the party strictly and concentrate efforts on investigating and handling major and appalling cases. After the meeting, first of all, we should conscientiously analyze and study the prominent problems that the people complain of a great deal and the major and appalling cases that we have grasped, and work out measures to handle problems and cases that should be handled and to punish those who should be punished. We should adopt organizational measures to resolutely readjust and remove from the posts the leading bodies and the leading cadres that do not have good leadership, fail to create a new situation, and even shield and cover up law-breaking and undisciplined phenomena. We must never let them sabotage the undertakings of the party in order to save themselves.

Fourth, we must persist in the principle of seeking truth from facts and draw strict distinctions according to policies. In accepting, investigating, and handling the cases relating to the plant directors, managers, and grass-roots cadres who are in the forefront of reforms and construction, we should pay attention to the forms and methods; persist in the principle of seeking truth from facts; make a clear distinction between truth and

falsehood, between guilt and non-guilt, and between the mistakes that are hard to avoid in the course of reforms and the crimes that are intentionally committed. We should have a clear-cut stand to support and protect those who are brave in blazing new trails, and abide by law and discipline. As for those who made both achievements and some shortcomings and mistakes in the course of reforms and opening the country to the outside world, we should help them sum up experiences, and encourage them to boldly work and continuously advance. Those who violate law and discipline in the name of conducting reforms should strictly be punished.

Fifth, we must persist in the principle of taking education as a key link, and combine regular education with the education and consolidation activities concentratively in line with certain prominent problems. We should continuously adopt various forms to regularly conduct, among cadres and party members, education on the purpose and the basic line of the party and the basic theories of Marxism-Leninism-Mao Zedong Thought; the education on withstanding the trials of being in power, conducting reforms, opening the country to the outside world, and opposing peaceful evolution; and education on the legal system so as to ceaselessly upgrade the vast number of party members and cadres' awareness of transforming the world outlook and to ceaselessly improve their political and ideological understanding and their ability in opposing the corrupt and guarding against peaceful evolution. Meanwhile, we should also concentrate efforts on conducting the education and consolidation activities in line with the problems that are comparatively prominent during a certain period of time.

Sixth, we must persistently rely on the masses to grasp the setup of systems. Both the grass roots and the leading organs should carry out the system of making their work and affairs-handling systems visible to the public so as to accept the supervision of the masses. After this meeting, localities from the provincial to village levels, all departments, and all units should be determined to generally popularize the experience gained by Haixing and Gaocheng in carrying out the system, and set up effective restrictions and supervision mechanisms.

Seventh, leading organs and leading cadres should play an exemplary role. Leading organs and leading cadres at various levels should first put their own houses in order before correcting others' unhealthy activities. We should resolutely oppose the thinking and activities of turning power into means for seeking private gains, bartering away power, and exchanging power for money.

Eighth, we must persistently build the discipline inspection and supervisory workers contingents, and bring the functional departments' roles into full play. We should make efforts to cultivate law and discipline enforcement contingents with a strong sense of party spirit, solid work style, good abilities in performing their professional work, and high understanding of policies. Discipline inspection and supervisory departments and their cadres

should make positive efforts, do their duties, give full scope to their "protection, punishment, supervision, and education" functions, be good advisers to party committees and governments, and realistically attend to the implementation of the measures for improving party spirit and administrative honesty.

Xing Chongzhi urged that we have a stronger sense of mission, responsibility, and urgency; make consistent efforts based on existing achievements and do our work solidly; deeply and constantly improve party spirit and administrative honesty; and strive to make greater achievements.

### Hebei Religious Work Conference Opens

SK0307042591 Shijiazhuang HEBEI RIBAO  
in Chinese 4 Jun 91 p 1

[By reporter Han Shaojun (7281 4801 0689): "Conscientiously Implement the Party's Religious Policies and Promote Social Stability and Economic Development"]

[Excerpt] At the provincial religious work conference that opened today, Governor Cheng Weigao pointed out: It is necessary to grasp religious work as an important work of the party and the government, conscientiously implement the party's religious policies, strengthen the leadership of the party and government over religious work, correctly handle the relations between religious work and other work, strengthen unity between religious believers and those who have no religious beliefs, and concentrate their will and strength on socialist modernization construction.

This provincial religious work conference sponsored by the provincial government will study and discuss proposals for further strengthening the provincial religious work. Provincial leaders including Cheng Weigao, Li Bingliang, Han Licheng, Bai Shi, Song Shuhua, Zhang Runshen, and Wang Shusen, attended today's conference.

Cheng Weigao said: In the days to come, the emphasis of our province's religious work is to conscientiously implement the party's religious policy, safeguard the citizens' freedom of religious belief, strengthen education on patriotism and socialism among religious believers and figures, mobilize the positive factor of patriotic strength of the religious circles, support them in doing constructive work, consolidate and develop the patriotic united front with the religious circles, manage religious affairs in line with law, check and deal blows to activities on using religions to engage in law violations and criminal acts, resolutely resist the infiltration of hostile forces, and enable religious work to make greater contributions to social stability and economic development. [passage omitted]

### **Xing Chongzhi Attends Close**

SK0307043791 Shijiazhuang HEBEI RIBAO  
in Chinese 6 Jun 91 p 1

[By reporters Han Jinliang (7281 6651 5328) and Han Shaojun (7281 4801 0689): "Comprehensively Implement the Party's Religious Policies and Serve Economic Construction and Social Development"]

[Excerpts] The three-day provincial religious work conference ended today.

At the conference, Governor Cheng Weigao gave a speech on how to further make our province's religious work a success. [passage omitted]

Xing Chongzhi, secretary of the provincial party committee, held talks and discussions with some participants, exchanged views on the problems and experiences in our province's religious work during recent years, and pointed out that efforts should be made to deeply conduct education on the Marxist religious concept and the party's religious policies among the broad masses of party members, cadres and the masses.

Vice Governor Song Shuhua gave a speech at today's conference. [passage omitted]

Wang Shusen and other provincial leaders attended today's conference.

### **Northeast Region**

#### **Heilongjiang Governor Stresses Economic Reform**

SK0307082591 Harbin HEILONGJIANG RIBAO  
in Chinese 19 May 91 pp 1, 2

["Excerpts" of speech by Shao Qihui, governor of Heilongjiang Province, at the provincial conference on economic structural reform held in Harbin on 17 May: "Unswervingly Promote the Reform of the 1990's"]

[Excerpts]

#### **1. Fully Understand the Tremendous Achievements of the Reform of the 1980's and the Rich Theories and Practical Foundation Which the Reform Provided Us, and Further Enhance Understanding of the Necessity of In-depth Reform**

The reform of the 1980's greatly enhanced the vigor and vitality of the socialist economy and a notable change took shape in the original economic structure and operation mechanism incompatible with the development of productive forces. First, the organizational form and management method of the economic units of public ownership were reformed. In rural areas, by enforcing the responsibility system with household output-related contracts as the major form, we gradually established the dual management system under which unified management is combined with independent management and the socialized service system, changed the organizational

form and management method characterized by "three-level ownership of the means of production with ownership by the production team as the basic form," which were incompatible with the development of rural productive forces, found a new organizational form compatible with the development of productive forces for the rural economy and achieved great development in the entire rural economy. In cities, starting with expansion of the autonomy of enterprises and in line with the principle of separating government functions from business management and separating management power from ownership, we enforced fairly extensively the contracted (leased) managerial responsibility system and the director (manager) responsibility system and were improving them gradually. New progress was also achieved in the merging and cooperation of enterprises and in enterprise groups. The enterprise organizational form and management method that blended government functions with business management and management power with ownership was initially changed to invigorate enterprises. Second, an initial pattern of the circulation of commodities characterized by various ownerships, various management methods, various channels for circulation and fewer intermediate links was established, the market system was taking shape, the various laws and decrees on the market were established and improved, and the role of market regulation and law of value were promoted. Third, we began to eliminate the distribution system characterized by the "iron rice bowl" and the "common big pot." Initial success was achieved in overcoming egalitarianism. We enforced various distribution methods with the distribution according to work as the major form to greatly boost the enthusiasm, pioneering spirit, and sense of competition of the vast number of laborers, producers, and managers. Fourth, we strengthened and improved the system of macroeconomic regulation and control to adjust and improve the scope and methods of macroeconomic regulation and control. The proportion of mandatory plans declined substantially and the price system and the mechanism for prices to take shape were initially reformed, thus promoting the economic structural adjustment and the rational disposition of the major elements for production. We began to attach importance to the use of economic and legal means. Fifth, a new pattern of opening to foreign countries and other provinces of the country characterized by "association with the south and opening to the north" was established in its initial form. We broke with the long-standing closed economic development, continuously expanded the spheres and scope of opening to the outside world, rapidly developed economic and trade cooperation with foreign countries, and established a system for foreign economic relations and trade focusing on facilitating border trade, opening non-governmental trade and promoting domestic trade. We should fully note that the aforementioned new and profound changes in the economic system not only have broadened people's horizons concerning the development of the socialist commodity economy and greatly emancipated productive forces but also are eliminating the traditionally closed and rigid economic system. This



will help develop the economy in a sustained, stable and coordinated manner for a long period of time. [passage omitted]

## **2. Major Tasks for Our Province To Deepen Reform in the 1990's**

A. We should continue to deepen enterprise reform and increase the vigor of enterprises.

Current conspicuous problems in enterprise reform are a failure to grant adequate autonomy to enterprises, too heavy a burden on enterprises, enterprises' lack of capacity for sustained development, and low economic efficiency. At present and during the Eighth Five-Year Plan period, we should successfully solve these problems by deepening enterprise reform. Meanwhile, in line with the requirement for establishing a vigorous economic enterprise mechanism characterized by independent management, sole responsibility for profits and losses, self-restraint, and self-development, we should concentrate efforts on the following work in the 1990's.

First, we should gradually separate the functions of the government as the owner of enterprises and those of society as the manager of enterprises. How should the government manage enterprises, should it manage them directly or indirectly and should it manage them mainly through economic and legal means or through administrative means? These are questions concerning the administrative functions of the government. Although we adopted a series of measures, such as delegating power to enterprises, expanding their autonomy and improving the management of plans, in the past few years, enterprises did not have full power delegated to them due to this or that kind of screening and approving authority and the government's direct and improper intervention in enterprises still exists extensively. In the future, we should exert more efforts to reform the system for state management of enterprises, gradually separate the functions of the state as the owner of enterprises and the functions of the society as the manager of enterprises, develop social investment groups and numerous fund organizations, establish state-owned asset management organizations and carry out designation and transfer of property rights and circulation of the major elements for production.

Second, we should actively probe enterprise management measures that meet the requirement for the development of the planned commodity economy. Since reform started, we have enforced the management contract system extensively in many enterprises and the leasing and shareholding systems in a few enterprises. We should say that the results are fairly good but still fall far short of the demand for establishing an enterprise management mechanism characterized by independent management, sole responsibility for profits and losses, self-restraint, and self-development. In the future, we should emphasize the deepening of the reforms within and outside enterprises. On the one hand, we should further improve and develop the contract system,

including the experiment with the system which requires payment of tax plus a percentage of profits to the state and payment of tax before loan payment or any retention of profit, and probe into the ways and standardized methods for state and collective enterprises to enforce the shareholding system and for small enterprises to enforce the leasing system. We should work out specific policies and measures to facilitate the reorganization, cooperation and merging of enterprises. Through reform, we should enable enterprises to make big strides in becoming relatively independent commodity producers and managers. On the other hand, enterprises should fundamentally change their management methods. The basic orientation for deepening enterprise reform in the future is that enterprises should tap their own potential and establish the operation mechanism compatible with market demand. In their management, enterprises should actively and bravely import the mechanisms of township enterprises and the management methods of the enterprises in the "three forms of ventures" and should experiment with management according to international practice.

Third, we should actively probe into the issue of fixing the property right of state assets. We should determine the methods for the management of the property right of state enterprises and clarify the major owners of the property right so that administrative barriers can be eliminated for the assets of enterprises to circulate and be organized rationally. We should also probe into the property rights of collective enterprises to properly and clearly determine which assets are state investments and which are the labor accumulation of staff members and workers. We should break with the traditional management pattern of collective enterprises as "second state enterprises" and establish a truly vigorous management mechanism for collective enterprises.

B. We should greatly cultivate and improve the market system and invigorate the circulation of commodities.

We should first greatly enhance our sense of the market and put the work to develop and improve the market high in our agenda. Judging from the current need, cultivating and improving the market is an effective step to solve the numerous problems in our actual life. Judging from the long-term need, the cultivation of the market is the prerequisite for establishing an economic operation mechanism that combines the planned economy with market regulation and, deviated from the market, the commodity economy cannot develop. In the future, we should see to it that attention is given to the trend in the changes and development of the market when formulating economic plans and guiding economic activities and that enterprise production should suit market needs. Because all our economic activities should undergo and successfully pass the test of the market, the improvement of economic efficiency should also come from the full growth of the market. Therefore, governments, departments, and enterprises should all make more efforts to improve their ability to understand the market, responding to market changes, occupying more

space in the market, and surviving and developing in market competition. They should regard the cultivation and improvement of the market as an important task of reform. Second, we should emphasize and do a good job in market construction. We should build and expand a number of wholesale markets in large and medium-sized cities and in the counties and towns which are farm and sideline product distributing centers, make use of the advantages in resources and products to actively build specialized wholesale markets and succeed in the experiment on building wholesale markets for above-quota timber and soybeans. We should expand consumer goods markets, develop and improve on a priority basis the markets specializing in the business of local products and, in the central cities which are major producers and sellers of means of production, develop spot markets and futures markets for important materials. We should also make continuous efforts to expand and improve short-term money markets, develop long-term money markets, open up technology and information markets, cultivate real estate and labor markets and gradually coordinate the development of these markets with the development of commodity markets. Third, we should do a good job in linking production to marketing in line with the principle of coordinating industry with commerce. Industrial enterprises should sell their products mainly through state and cooperative commercial units which, in turn, should regard local industrial enterprises as the major commodity supply bases. We should particularly study ways for industrial enterprises to satisfy the markets within the province on a priority basis when there is a greater demand and ways for commercial units to guarantee the purchases and greatly promote the sales of local products when market sales are average. We should establish long-term and stable cooperative relationship between industrial and commercial units and promote the coordination of production with marketing. This is never a temporary measure. Instead, it is a long-term important step to revitalize and develop our province's economy. Fourth, we should improve the market system and the organizations for market regulation and control and for market management. We should further improve the system for regulating and controlling the provincial as well as city commodity markets and the organizations for the supervision and management of the markets so that there will be laws and regulations to follow in the operation of the markets throughout the province and so that transactions will be standardized, open and billed.

C. We should facilitate structural adjustment to enliven the economy.

Restructuring the economy is an important task for deepening the reform in the 1990's. Priority should be given to the following work. First, we should adjust the structure of ownership to enable a structure compatible with the province's current level of productive forces to take shape more quickly. For this purpose, we should eliminate the ideas that emphasize state ownership, neglect collective ownership, and restrict individual ownership. In the next 10 years, we should regard the

active efforts to develop urban collective, individual, and private economies and the enterprises in the "three forms of ventures" as the strategic priority of the endeavor to speed up local economic development. We should make active efforts to formulate policies to encourage the collective, individual, and private economies to play a positive role in economic development. Second, we should actively facilitate the adjustment of the organizational structure of enterprises and gradually establish a mechanism under which the superior is selected and the inferior eliminated. We should actively organize and develop enterprise groups, abandon the management systems that erect barriers between different departments and regions and make particular efforts to resolve the issue on "three no changes." In adjusting the enterprises with different ownership, we should adopt numerous systems in one plant. As far as the relationship between enterprises is concerned, the adjusted enterprises should subordinate to the major enterprises. As to the channels through which revenues are collected, first-level financial departments should adopt the methods of adjusting the base quota or refunding. We should continue to facilitate the circulation of the major elements for production, adjust both the existing assets and the increased part of the assets to support the superior enterprises, restrict the inferior ones, and optimize the structure of assets, reorganize enterprises in an active, yet prudent manner and gradually establish a new pattern with the characteristics of the province for the organizational structure of enterprises. During the Eighth Five-Year Plan period, we should conduct experiments on enterprise bankruptcy through meticulous organizational work, be determined to eliminate a number of enterprises that use up their resources by doing nothing and truly set in motion the mechanism for selecting the superior and eliminating the inferior. Third, we should do a good job in adjusting the production setup with the guidance of the state industrial policy. When starting and facilitating the adjustment of the production setup, we should abide by the following principles. 1) The adjustment should conform with the state industrial policy and our province's conditions in resources and should help accumulate funds fairly rapidly. 2) The adjustment should be focused on improving economic efficiency and guided by the market. 3) The adjustment should help to fully develop the advantage of our province's current economic foundation and greatly enhance the province's ability to compete in the country and even in the world. 4) The advantage in resources and advanced science and technology should be used to blaze a new trail in comprehensive utilization and intensive processing of resources and in improving economic efficiency. 5) Various channels and measures should be adopted to resolve the shortage of funds. 6) The adjustment should help protect the ecology and improve the environment. In line with the aforementioned principles, we should make adjustments in the production setup compatible with the overall situation and give prominence to the development of the regional economy when carrying out the adjustment. As a part of the overall economic interests, our province has made great

contributions to the state. However, we have been labeled as "a province large in resources and poor in the economy" for many years. The irrational price system has greatly restricted our province's development of basic industries and raw materials industry. In the future, after fully understanding the provincial situation, we should develop the advantage in the current economic foundation, accelerate the adjustment of the productive setup and blaze a new road to speed up the development of the regional economy of our province.

D. We should further consolidate, develop and deepen the rural economic reform.

In the next 10 years, our province's rural reform should be carried out in line with the strategic ideas of "integrating the development of grain production, animal husbandry, and township enterprises," "coordinating industrial and agricultural production with foreign trade" and "integrating the urban and rural economies" as defined at the seventh session of the sixth provincial party committee. First, we should stabilize the various reform policies for rural areas with the household output-related contract as the major form and improve the socialist service system. Based on this, we should improve the dual management system under which unified management is combined with independent management and improve the rural socialized service system. This is the priority of the next step to deepen the rural reform. In this way, the enthusiasm of peasant households for independent management can be combined with the superiority of socialized service to further improve the rural productive forces. During the Eighth Five-Year Plan period, we should gradually establish a multi-layered and multiform service network with county and district pertinent departments and units as the lead, town and township stations as the bridge, and village units as the foundation, under which higher-level units and lower-levels coordinate with each other in their specialized service. We should regard the endeavor to establish a rural socialized service system as a long-term task for the in-depth rural reform and carry it out persistently. We should adopt various measures to further facilitate the "development of agriculture through the application of science and technology," improve the methods to expand group contracting for application of science and technology and gradually establish a rural scientific and technological mechanism that is closely coordinated with agricultural development and that is full of vitality. Second, we should adjust the rural production setup in a steady manner in line with the state industrial policy to stabilize grain production, develop animal husbandry, and greatly promote township enterprises. The adjustment of the rural production setup should be carried out in such a way that preference is given in a selective manner to livestock breeding which is relatively weak so that the supplies of essential farm products can be increased rapidly and surplus grain, forage grass, and other farm products are fully utilized to increase their value. We should quicken the pace in township enterprise development, support it with funds,

technical transformation, and taxes, bring into better balance the relationship of township enterprises in terms of property rights and improve their management and economic efficiency. Third, we should achieve a fairly great breakthrough in the reform of the system for the circulation of farm products. We should establish in its initial form a network of regional farm product markets with wholesale markets as the centers. Accelerated process of commodity production was a prominent characteristic in China's agricultural development in the 1980's. At present, more than 60 percent of China's farm products are sold as commodities. This shows that China's agricultural economy has gradually gone out of the situation of self-sufficiency and semiself-sufficiency and entered a new stage of agricultural development characterized by commodity production. As far as our province is concerned, the percentage of farm products sold as commodities is much higher than the national average. As the percentage will be further raised in the 1990's, the work to invigorate circulation will become more important and prominent. We should make a greater step forward in the reform of the rural circulation system. During the Eighth Five-Year Plan period, by rationalizing commodity prices and the grain management system and by reforming the financial management system, we should put an end to the irrational situation of the province which reaps bumper grain harvests but worries about its finance so that our advantage in grain production will truly become an economic advantage that helps promote our economic development.

#### Jilin's He Zhukang on Emancipation of Mind

SK0207141191 Changchun JILIN RIBAO  
in Chinese 27 May 91 pp 1, 2

[Text] The provincial party committee and government held a meeting on the morning of 25 May to inform responsible cadres of the departments directly under the province of the study and observation activities conducted by the Jilin Provincial economic observation and study group in Shanghai and seven other provinces.

He Zhukang, secretary of the provincial party committee, presided over the meeting. Provincial Vice Governor Liu Xilin gave a report on the study and observation activities. He Zhukang gave an important speech.

The "Jilin Provincial economic observation and study group" led by Comrade He Zhukang and composed of 20 major responsible comrades of Changchun, Jilin and Siping Cities and pertinent departments directly under the province was organized for the purpose of learning from other localities' experiences in reform, opening up and development of the commodity economy, exploring the ideas for formulating the Eighth Five-Year Plan and the 10-year program, holding talks on lateral economic ties and cooperation and studying ways to invigorate large and medium-sized enterprises. The group departed on 21 April and devoted a month to the study and observation activities in Shanghai Municipality, Hainan Province, Guangzhou City and Yunnan, Guizhou,



Sichuan, Hubei and Henan Provinces. During the period, it held talks on a number of cooperation projects in line with the realistic spirit, the spirit to carry out more practical work and the principle of "mutual supplement with each other's strong points and mutual benefit," reached a number of agreements or letters of intent, signed 64 contracts and signed summaries on developing economic and technological cooperation and association with Shanghai, Guangdong and three other provinces. Comrade Liu Xilin listed the major gains in the study and observation activities as the follows:

First, in developing the socialist commodity economy, we should first emancipate our minds and change our ideas, should adhere to the principle of seeking truth from facts and should take productive forces as the criterion. Practice has proven that when our thinking is straightened out, we will have the courage to do what we did not dare to do, improve our ability to do what we could not do and achieve the results that we did not expect.

Second, a basic experience in developing the socialist commodity economy is to relax control in order to enliven the economy. We should act according to the law governing the commodity economy, create conditions for enterprises to compete on the basis of equality and facilitate the improvement of the quality and efficiency of the economy as a whole. Localities capable of relaxing control will achieve faster development.

Third, a very important factor distinguishing the development of the commodity economy from that of the planned economy is to let commodities circulate under the guidance of the market. This requires that we embrace the idea of large-scale circulation, place monetary work ahead of other work, attach importance to the development of the tertiary industry and take the initiative in expanding the market.

Fourth, in developing the socialist commodity economy, we should attach strategic importance to reliance on science and technology, blaze a road to truly combine science and technology with production and improve the economic quality. This is an important measure for achieving a fairly comfortable life and for catching up with and surpassing the advanced localities. Localities which have done a good job in the combination will have a high starting point and achieve faster development.

Fifth, in developing the socialist commodity economy, we should correctly handle the relationship between the work to straighten out party style and maintain honesty in the performance of official duties and economic work, protect both the enthusiasm for opposing corruption and advocating honesty and the enthusiasm for reform, opening up and enlivening the economy and truly create a good social environment to escort the development of productive forces.

Sixth, in developing the socialist commodity economy, we should have not only the sense of risk and pioneering

spirit but also the ability for operation and the indomitable and realistic spirit of never turning around before our goals are achieved. Without a realistic spirit, without bearing hardships and without arduous efforts, we cannot lead and achieve the development of the commodity economy.

Comrade He Zhukang gave a speech entitled "Emancipate the Mind, Go All Out to Make the Country Strong and Greatly Facilitate the Development of Our Province's Commodity Economy." He pointed out: Our province has many strong points, has laid a fairly good foundation for socialist construction and reform and has achieved very good results in work. However, we must never be satisfied with the current situation. We should see where we lag behind others. There are objective reasons for the gap between our province and advanced provinces and municipalities but there are also reasons in our work. In the final analysis, the reason is that we fail to emancipate our minds very successfully. Therefore, at present, we should emphasize the importance of emancipating our minds. He stressed the following three aspects of work concerning emancipation of the mind.

First, we should enhance the sense of urgency toward emancipation of the mind. He said: Emancipating the mind is needed in accelerating development and realizing the second-step strategic objective. Since the seventh plenary session of the 13th party Central Committee, localities all over the country have actively gone all out to make progress and the competition among them will become all the more intense in the 1990's. We should enhance our sense of responsibility. When goals and tasks are defined, the responsibility of leading persons is to ensure their fulfillment. They should have the courage to take whatever measures in conformity with reality to ensure that the goals and tasks are attained. If they are unable to work out good measures, they should allow lower levels to work in a creative manner. Never should they prohibit lower levels from working out measures because they themselves cannot work out good measures. We should see that if we do not further emancipate our minds and break with the outdated way of thinking and the conservative mentality of following the beaten path and satisfying with the current situation, which are rooted in small-scale production, we will be unable to quicken our pace and achieve the "fairly comfortable" standard of living.

Comrade He Zhukang said: To further deepen the reform, the most important thing is still to emancipate our minds. As objective things are developing and changing continuously, we should also emancipate our minds continuously. Since reform and opening up started, we have scored tremendous achievements. In the meantime, however, problems meriting our great attention have also emerged, such as unhealthy trends, corruption and unfair distribution, which the masses are concerned about, the overheated economy and inflation, the spread of the ideological trend of bourgeois liberalization and the peaceful evolution stepped up by international hostile forces. It is necessary for us to conduct

conscientious study and analysis of these problems and adopt measures to solve them. However, we should not have doubts and misgivings on reform because of them. What we should correct and resolve are the deviations made in the process of reform. If these problems are not solved, we will be unable to win the support of the masses and continue the reform. We should not put the correction of the deviations in reform against the emancipation of the mind. This is an issue we should clarify. Because reform is currently in the period for tackling the most difficult problems, we need greater courage and willpower, new ideas and methods and the coordinated efforts of all quarters to fight an overall battle. Therefore, we need to further emancipate our minds. Otherwise, we will be unable to deepen the reform or will become hesitate when encountering specific issues while supporting reform and opening up in principle.

He Zhukang said: Emancipating the mind is needed in pooling efforts and firmly embracing the guiding thought of taking economic construction as the central task. All localities and departments should correctly handle the relationship between specific policies and the general policy, between different departments and regions, between the part and the whole and between supervision and protection. They should make sure that on the one hand, they perform their own work successfully and, on the other hand, take the initiative in serving the central task of economic construction and opposing decentralism; and that on the one hand, partial interests are sacrificed to safeguard the overall interests and, on the other hand, efforts are made to achieve success in the work of the part, support the work of the whole and oppose selfish departmentalism. Departments concerned should strengthen supervision on the one hand, and support the endeavors to invigorate enterprises and the economy and to pool efforts to carry out economic construction on the other hand.

Second, we should emancipate our minds toward the subject of facilitating the development of the socialist commodity economy. Comrade He Zhukang pointed out: Our cadres and the masses had a weak sense of the commodity economy and the market and few methods for developing the commodity economy for a long period of time. They even, knowingly or unknowingly, equated the development of the commodity economy with capitalism. Regarding market regulation as something capitalist, they did not have the courage to talk about it, let alone develop production in line with the law of value and the relationship between supply and demand. This was an ideological obstacle to the development of the commodity economy and also the key reason why our province lags behind other provinces and municipalities in economic development. Therefore, we should embrace the idea of the commodity economy and accelerate the development of the commodity economy. This is the key to our efforts to further emancipate our minds.

He emphasized: We should further enhance the sense of the market. Judging from the macroeconomic point of view, planning and the market are two means for the

disposition of resources, of which both play an important role and neither should be overemphasized at the expense of the other. Practice has also proven that they can be combined. We should strive to make our planning more scientific, reform the planning system, gradually reduce mandatory plans and expand the proportion and scope of guidance plans and market regulation. Judging from the microeconomic point of view, enterprises should be truly geared to the market, rely on the market, organize their production in line with market demand, truly enter the market to participate in competition actively and become the main body of the market.

He emphasized: We should further relax price control. Through reform, we should gradually establish a price system under which mandatory prices, guidance prices and market prices coexist, with market prices as the main. We should rely on the law of value to facilitate the development of the commodity economy.

He emphasized: We should open wider to the outside world, namely the localities outside the country and outside the province. Judging from the current situation, we have not done enough not only in opening to foreign countries but in opening to other provinces. In a certain sense, opening to other provinces helps promote our economy more quickly and more directly. We should strengthen this work. We should understand the truth that "we will gain benefits if we allow others to do so, we will lose benefits if we compete with others for more benefits and we will gain benefits from allowing others to gain benefits first." We should free ourselves from the closed small circle, broaden our thinking and field of vision, carry out pioneering work in the vast world and open up a new situation of opening wider to the outside world throughout the province.

He emphasized: We should further enhance our sense of development and our ability for development. We should not only develop new commodities continuously but also develop the market and trained personnel with great efforts. We should have new ideas and thinking if we are to develop commodities. We should enhance our sense of the market. The market should not only be opened but also be developed. We should also have strategic goals and arrangements for this and study correct tactics. Development of trained personnel, in the final analysis, is the most important and most positive development. We should stand on a high plane and see far ahead and have a strong sense of competition to win over trained personnel. We should develop our own personnel and also import personnel. We should understand trained personnel from the viewpoint of practice and development and never stick to one pattern in discovering, training and using them.

He emphasized: We should further change the functions of the government. First, governments should take charge of the overall work instead of trivial matters and return or delegate power to lower levels. Judging from the current situation, government departments still take charge of too many things concerning trivial matters,

which dampens the enthusiasm and vigor of enterprises and weaken the overall management that governments are charged with. We should solve this problem as soon as possible. We should be determined to take up only a little work or none at all that should be decided by enterprises independently. Second, we should strengthen service. We should let service manifest in management, with the focus also on overall service. The major work is that we should formulate correct policies, systems and methods, work out scientific plans and promulgate necessary rules and regulations in line with the practice in economic construction, reform and opening up. What should we do when our systems and regulations contradict practice? We should persist in reform to make our systems and regulations compatible with reality. Instead of mechanically copying what the books or the higher authorities say, we should bear the reality in mind and have the courage to proceed from reality in resolving the contradiction.

Speaking on the several issues we should properly resolve, He Zhukang pointed out: We should both invigorate enterprises and strengthen macroeconomic regulation and control; both act according to our capacity and do our best; both guard against overanxiety for quick results and avoid missing the opportunity; both have the courage to persist in what is right and have the courage to negate what is wrong; and oppose corruption and advocate honesty on the one hand, and escort economic construction on the other hand. With regard to the problems cropping up in reform, we should check their starting points, means, effect, reasons and historical background and see to it that the enthusiasm for reform is encouraged, the good reputation of reform defended, the orientation of reform guaranteed and the discipline for reform strengthened.

Third, we should be conscientious in emancipating our minds. He Zhukang emphasized: We should emancipate our minds in a down-to-earth manner and speed up the practical work for the development of the socialist commodity economy. Starting with the departments directly under the province, we should conduct a large-scale mobilization for continuous emancipation of the mind. Emancipating the mind is an extensive task both for leading cadres and for ordinary cadres and the masses and both for higher-level leading organs and for grassroots organs, enterprises and institutions. Comparatively speaking, however, leading cadres and higher-level leading organs should emancipate the mind all the more. This is decided by their position and role. We should further enhance our understanding, truly understand the importance, necessity and urgency of emancipation of the mind, enable all departments to understand it and turn it into the common understanding and voluntary deed of all the cadres and the masses throughout the province. This issue should be properly resolved during our efforts to straighten out the departments directly under the province.

He Zhukang urged: We should earnestly summarize our own experiences and lessons. Leading comrades at all levels and all departments should earnestly review and meditate over the work they are in charge with, comprehensively and profoundly summarize their experiences and lessons, further enhance their understanding of the laws governing socialist construction and reform and, by integrating theory with practice, acquire a clear understanding of our successful experiences and lessons from mistakes and of where we lag behind, how we should define the goals for the future and what our major measures are. Only in this way can we take the initiative in proceeding from the reality of our own localities and departments to find out more and better ways to accelerate economic development and raise economic efficiency. He emphasized: We should promote the implementation of the tasks for this year through the examination of the work for the first half of the year. The sixth plenary session of the fifth provincial party committee decided that continuous efforts should be made this year to give close attention to economic construction, which is the central task, and, while further strengthening the fundamental position of agriculture, emphasize the industrial economy, which is the priority, and strive to bring about a fundamental turn for the better in the industrial economy. The current industrial situation remains very grim and we should exert more efforts in order to bring about a fundamental turn for the better in the industrial economy. When we examine and summarize our work and appraise our achievements, we should see how we perform the central task and work priorities, which are the first we should see and the most important, and we should be clear about what to reward and what to punish. We should strongly declare the criterion that "without merits means demerits" for judging what is right and what is wrong and apply it to our specific work.

In conclusion, He Zhukang urged the departments directly under the province, especially leading comrades at all levels, to conscientiously understand and learn from the valuable experiences of other provinces and municipalities, further mobilize themselves to further unify their thinking in line with the guidelines of the seventh plenary session of the 13th party Central Committee, emancipate their minds, go all out to improve themselves, strive to make this year's work successful and lay a solid foundation for attaining the second-step strategic objective of socialist modernization.

Attending the meeting were leading comrades of the provincial party committee, People's Congress, government, committee of the Chinese People's Political Consultative Conference and discipline inspection commission, former provincial-level cadres, party and government leading comrades of some cities, the prefecture and the autonomous prefecture and responsible comrades of the departments directly under the province.



**CNA Carries Interviews by French Magazine****President Li Teng-hui**

OW0107122791 Taipei CNA in English 0920 GMT  
1 Jul 91

[Questions Submitted by France's POLITIQUE INTERNATIONALE Quarterly in an Interview with President Li Teng-hui—date, place not given]

[Text] Question 1. Your country is scheduled to launch a major constitutional reform in the near future. Would you please tell us the substance of the reform?

Answer: A large number of problems with the constitutional system have accumulated during the over forty-year Period of National Mobilization for Suppression of the Communist Rebellion. If we don't deal with them thoroughly, they will seriously hinder the growth of party politics and the further development of democracy. To gather opinions on constitutional reform from Chinese at home and abroad, the government held a National Affairs Conference in the summer of 1990 which resulted in consensus on a number of issues. We decided to respect the opinions of the National Affairs Conference and use constitutional amendment rather than drafting a new constitution to re-examine and solve such constitutional problems as increasing the representativeness of people's representative bodies; and promoting both the further institutionalization of self-government and methods for selecting government heads at various levels. This will enable the ROC [Republic of China] constitution to better meet current needs.

We are adopting a two-stage method for this great political process: First, the Extraordinary Plenary Session of the First National Assembly held in April, 1991 was responsible for the initial phase of drafting necessary constitutional amendments, drawing up the legal basis for electing parliamentarians, and annulling the temporary provisions effective during the period of communist rebellion. In the second phase, the Second National Assembly to be elected at the end of 1991 will be responsible for completing the amendment of the constitution.

Question 2. Does this reform have any connections with China's unification?

Answer: Constitutional reform at this time is based on pragmatism, that is, making appropriate amendments to the constitution directed at the reality that the nation has been separated for a long period of time. Recognizing this reality does not necessarily indicate that we have abandoned the ideal of national reunification. In fact, we believe that only by adopting a more pragmatic attitude toward the issue can we make further progress toward democratization. And only when our nation is unified under a political system of the people, by the people, and for the people, can the china issue be solved once and for all. Thus, although there is no direct connection between

the process of constitutional amendment and our reunification policy—we have pursued national reunification in the past and will continue to do so in the future—amendment of the constitution will surely provide a firmer basis for future national reunification.

Question 3. What is your position concerning China's reunification? Does it differ from that of your predecessor?

Answer: The ROC government has had a consistent policy towards the problem of China's reunification. My position is no different than that held by my predecessor, the late President Chiang Ching-kuo. However, people-to-people contacts across the Taiwan Straits have been increasing daily since 1987, after the government, out of humanitarian considerations, permitted our citizens to visit mainland relatives. This has naturally had an influence on prospects for reunification. I therefore made the decision in 1990 to establish the "National Reunification Council", and formulated the "Guidelines for National Reunification" to gradually achieve the goal of unifying China. The Executive Yuan at the same period has established the "Mainland Affairs Commission" to formulate and implement policies.

Question 4. Taiwan has shown impressive progress towards democratization in recent years. What are these achievements? In which direction will you be heading in the future?

Answer: Many countries have experienced political instability during the process of democratization, often because there was too large a gap between the expectations of the people and the amount of reform the government was actually able to bring about. Of course we are concerned lest a similar situation develop. Thus, in the past, while in the midst of democratic reform, we have consistently strived to make it possible for our whole reform program to be advanced in an orderly environment. The main fruits of our democratization in the past have been the establishment of a basic understanding of democratic values among our citizens, and the development of healthy channels for people to express their opinions. For instance, we have lifted martial law and restrictions on setting up civic organizations and political parties, opened up newspaper registrations, and passed legislation to protect the people's rights of assembly and parade.

From a democratic point of view, our society has already become fairly pluralized. The levels of education, economics and social participation have all risen, fulfilling the conditions for democracy. However, we firmly believe that the deciding factor in our success or failure in pursuing democracy depends on whether or not the government is sincere in carrying it out, and on the democratic attainments of its general public as well as their ability to distinguish right from wrong. Hereafter we shall continue to carry forward constitutional reform, review the existing constitution and laws, and make revisions in a number of outdated laws and regulations.

We will implement various kinds of cultural renewal in coordination with constitutional reforms, striving to raise the people's cultural level and strengthen their moral fiber; spread the concepts of reason and law; raise the democratic consciousness of citizens; encourage political parties and civic organizations to express their appeals and grievances through legal means, and strengthen the rule of law so as to promote the sound development of democracy.

Question 5. From a long-term perspective, where does the KMT [Kuomintang] fit into Taiwan? If the current opposition party were to legally come to power one day, would the KMT become an opposition party?

Answer: The Chinese Nationalist Party (or KMT) is a party with a long history, an age-old tradition, and a solemn sense of mission. It must be responsible not only for the 20 million people on Taiwan, but also all Chinese. Based on this sense of mission, the KMT for the past forty years has carried out modern construction projects on Taiwan to make it into what is referred to as the bastion of national revival, a strong and secure base and a symbol of hope for the entire Chinese people. In the future, we hope to reduce the level of hostility with the mainland through exchanges between both sides of the straits and pave the way for the peaceful reunification of China. By then, the KMT will not only have become the architect of the Taiwan model, but also a promoter of the "Taiwan experience."

I personally believe the successes on Taiwan won by the KMT have won the people's support and trust. Our party has absolute sincerity toward competing on an equal basis with other political parties under a democratic system. The precious thing about democracy is that the general public decides who will rule over it. One can see from our party's active efforts in promoting political democratization our willingness to sacrifice and sincere respect for the rules of competition under a democratic framework. Question 6. Being the first indigenous Taiwanese President, what is your attitude towards those political parties which advocate Taiwan independence?

Answer: Taiwan's separation from mainland China is an unfortunate political fact. This has caused Chinese people on both sides of the straits to live under two different political systems and lifestyles, and has resulted in a great disparity in living standards between people on the two sides. However, "blood is thicker than water"—the identical ethnic, cultural, and historical background of the Chinese is an undeniable fact. The 20 million people on Taiwan still hope that one day all Chinese will live under a reasonable system and have a life of dignity and value. Though I was born in Taiwan, I am president of the ROC. Faced with a small group of people advocating secessionism, I am naturally concerned. However, I will do my best to dispel the doubts of these people and help them believe in the government's determination to promote democracy and have faith that all actions taken by the government will respect the rights of the people in Taiwan and also safeguard their security and welfare. In

sum, I firmly believe the government of the ROC will ultimately win the trust and support of dissidents and dissolve their differences.

Question 7. What is the ROC's position towards other countries recognizing the Chinese Communists? Is the ROC's position comparable to the pre-1990 positions of South Korea and West Germany?

Answer: The ROC formulates and carries out its foreign policy according to the principles of rational pragmatism, independent sovereignty, and mutual reciprocity. How other nations choose to deal with or recognize the Chinese Communists is their own sovereign decision. We are unable to interfere. In recent years, the ROC government has striven to develop substantive trade and cultural relations, or even full diplomatic relations, with other friendly nations. At the present stage, for example, the ROC has established diplomatic relations with 28 nations around the globe and mutually set up commercial or cultural representative offices with 78 other countries. In May this year, we terminated the temporary provisions effective during the period of communist rebellion. We will continue to uphold our principle of one China internationally, and we hope that the China mainland and ourselves will both adopt positions of mutual respect and acceptance and both participate in international organizations and events in order to develop positive reciprocal relations between the two sides of the Taiwan Straits. Prior to 1990, West Germany and South Korea did not fundamentally interfere with East Germany's and North Korea's efforts to develop diplomatic relations. This approach made it possible for 122 countries to simultaneously recognize the two Germanys and 83 countries to simultaneously recognize the two Koreas. This did not affect the reunification of Germany nor did it stand in the way of the recent reunification talks held between North and South Korea. The principles and positions behind such a policy are a valuable reference for other divided nations. This does not mean the ROC is interested in working towards a "two Germanys" or "two Chinas" model. Fundamentally, we still insist on one China and, under this principle, hope to stabilize relations between the two sides of the Taiwan Straits and open up diplomatic space so that we may fulfill our international responsibilities.

Question 8. What important issues is the ROC facing in its relations with the United States and Japan?

Answer: Economics and trade are still the primary issues in relations with the U.S. and Japan. In recent years, due to the ROC's strenuous efforts, the ROC's trade surplus with the U.S. declined from 12 billion U.S. dollars in 1989 to 9 billion U.S. dollars in 1990. However, because the U.S. still accounts for 33 percent of all ROC exports, the United States still hopes that we further liberalize our markets. In other issues, ROC-U.S. relations are extremely close. For example, in the field of culture and education, some 30,900 students from the ROC went to study in the U.S. last year. In the science and technology field, the ROC and the United States have signed 39

agreements on scientific and technical cooperation since 1979. Nine of the agreements were signed last year, making the ROC the United States' third most important partner for scientific and technical cooperation. Before the break in diplomatic relations with the United States, the ROC had fourteen offices in the U.S. To date, we have restored eleven of these offices.

The ROC is also facing economic and political issues with Japan, but they are of a different nature. Last year, trade between Taiwan and Japan reached 7.66 billion U.S. dollars, the highest ever. According to the figures, over 80 percent of imports from Japan were either high-tech machinery, key components, or intermediate materials, further illustrating ROC industry's reliance on Japan. Therefore, in the future, the ROC will not only speed up the upgrading of science and technology, we will also diversify our sources of technology and actively engage in research and development, so the ROC can reach its goal of technological independence, and gradually release itself from its long reliance on Japan.

Politically, the Japanese Government is often overly accommodating to the Chinese Communists. Japan is excessively concerned that they might offend the Chinese Communists, and are therefore unable to treat the ROC equally as other democratic nations do. Channels for negotiation between the ROC and Japan are not open enough, and consequently there is no way to quickly resolve many problems. Whether or not relations between the ROC and Japan can be improved depends on whether or not the Japanese Government is able to change its attitude.

Question 9: What will be the major problems facing Taiwan in developing its relations with the European Community?

Answer: The ROC's relations with the European Community have progressed quite rapidly in recent years. However, if we wish to further develop these relations, I believe we will encounter the following major problems.

First, the concept of a single European market will formally become reality on January 1, 1993. This will have an effect on economic and trade relations between the ROC and the European Community. The European Community may sign agreements or contracts with other individual countries, thus paving the way for economic and trade relations between the European Community and these nations before the official establishment of the unified market. But because the ROC does not maintain official diplomatic relations with member countries of the European Community, the signing of this type of agreement will be extremely difficult. And just as the ROC is investing a tremendous sum in launching its six-year national development plan and could be cooperating with member countries of the European Community, delays and obstacles to signing reciprocal agreements may hinder development of bilateral relations. This is a point worthy of close examination by both the

authorities of the European Community and the government of the ROC. We should let the spirit of pragmatism be our guide, and seek a viable path to overcome this difficulty.

Second, ROC political development and foreign policy for the past several years have both been in accord with overall world trends. On the one hand, we have stepped up the pace of development of constitutional democracy, and on the other have implemented a policy of liberalization, strengthened relations with other nations, and worked to carry our share of international responsibilities. In the coming one or two years, the ROC will become a "partner" nation of the West in Asia. The European Community must squarely face the reality of these developments and, rather than clinging to convention and insisting on unofficial contacts, should adopt effective measures to facilitate rapid solutions to such issues as exchanges of aviation rights, tariff reductions, and the issuing of visas.

Question 10: In recent years there has been considerable development in relations between Taiwan and France. What are your views on the future development of relations between the two? What are your views on relations between France and Peking?

Answer: Whether in economics and trade, scientific and technological cooperation, or cultural exchange, there has been a remarkable strengthening of relations between the ROC and France. In the future, bilateral relations are certain to continue to advance and develop on a basis of reciprocity and mutual benefit. I believe that France has long possessed a tradition of independence and acting on its own initiative in foreign relations, and has a healthy spirit of pragmatism. I think France will certainly seek the most effective ways and means to promote relations with the ROC.

Turning to relations between France and the Chinese Communists, I believe that the development of foreign relations by any government on the basis of the interests of the nation is a proper exercise of sovereignty. The French Government, based on its independent orientation in foreign relations, has the right to develop relations with any nation or government. This is precisely France's situation in developing relations with the ROC. No third country has the right to interfere.

#### Premier Hao Po-tsun

OW0107132591 Taipei CNA in English 1011 GMT  
1 Jul 91

["Premier Hao Po-tsun's Responses To Written Questions Submitted by France's POLITIQUE INTERNATIONALE Quarterly"—CNA Headline]

[Text] Question 1: What are the major problems to be solved in the process of Taiwan's political democratization?



[Premier Hao] The major tasks of Taiwan's democratization at present are as follows: First, to carry out constitutional reform and amend the ROC [Republic of China] constitution. A constitutional amendment program has already been forwarded within the ruling party. We have set mid-1992 as the completion date for this process, so as to carry out democratic constitutional government by gradual steps.

Second, to complete the task of the complete re-election of parliamentarians. In accordance with an interpretation of the council of grand justices of the Judicial Yuan, all senior parliamentarians elected on the Chinese mainland must retire by the end of this year, followed shortly by the election of new representatives. This will be a major step forward in Taiwan's democratization.

Third, to make the switch from appointing to directly electing the mayors of the special municipalities under the direct jurisdiction of the Executive Yuan and the Governor of Taiwan Province. The great majority of local government heads are chosen through regular elections. Only the Governor of Taiwan Province and the Mayors of Taipei and Kaohsiung Municipalities have yet to be chosen through popular elections. Upon the completion of constitutional amendments next year, the "General Principles for Provincial and County Self-government" will be drawn up to complete the process of establishing a legal framework for local self-government. This will also definitively complete the task of switching to popular elections.

Fourth, to strictly carry out the development of the legal system and strengthen education on the rule of law. The first three items mentioned above are related to the task of democratic reform of the government itself, but the development of the legal system must rely on the cooperation of law-abiding people. The government will therefore hereafter strengthen education on the rule of law, encourage the people to develop respect for the law, and punish criminals in accordance with the law, to forward the development of the legal system and accomplish the task of democratization.

Fifth, to institutionalize party politics and forward the internal democratization of political parties. Taiwan now has more than sixty legally-registered political parties, yet many do not truly function to their full potential. Even within the ruling and major opposition parties, there exist democratization problems of varying degrees. We believe a stable democratic system can only exist on the premise that the political party system is institutionalized and democratized. It is therefore also a principal task to Taiwan's democratization to encourage political parties to carry out internal democratic reform through appropriate laws and regulations governing political parties and elections.

Question 2: What are Taiwan's political prospects? What major political forces will be at work in the future?

[Hao] Our political situation is currently stable. All government work is proceeding smoothly: The First

National Assembly held an Extraordinary Plenary Session in April and completed the first stage of constitutional amendment; the government annulled the Period of National Mobilization for Suppression of the Communist Rebellion in May; and members of the Second National Assembly will be elected at the end of this year and open up the second stage of the constitutional amendment work. Upon the completion of all these reforms, democratic constitutional government will rise yet another level in the ROC.

Tensions in relations with the mainland have now relaxed. The proposal of the national unification guidelines has not only expressed our attitude towards relations, but also provided several fair and reasonable conditions for their future development. If communist China should respond positively, then there is a possibility for further development in relations.

Generally speaking, we are optimistic about the future political situation and full of confidence in our nation's tomorrow. In the coming years the ROC will be a pluralistic society, and the people will actively participate in politics. A great variety of forces will thus appear in the political arena. We believe that any political power which identifies with our basic constitutional system of government and can make positive, constructive proposals to deal with problems on the national political scene will certainly play an important role on the political stage in the future. Altogether more than sixty political parties have registered in the ROC. The question of their actual strength will be answered in elections now and in the future.

Question 3: What are your government's views on the Democratic Progressive Party, most of whose members are supporters of Taiwan independence?

[Hao] Our views on separatism are very clear; we firmly oppose it, based on the following reasons: First, it contravenes the ROC constitution and the National Security Law. The government has the responsibility to safeguard the constitution and other laws, and therefore it will, in accordance with the law, certainly punish criminal acts committed by separatists. Second, the government cannot just sit idly by and watch as advocacy of Taiwan independence and other separatist ideas create factions and instability internationally, giving the Chinese Communists an excuse to attack Taiwan, and causing great harm to national security and the welfare of the people as a whole.

We are firmly opposed to Taiwan independence and determined to deal with it in accordance with the law. We must, however, point out that the advocacy of Taiwan independence has yet to gain sizable support in the Taiwan region. Because the great majority of our population identify with the Chinese people and Chinese culture, and have a correct understanding of our nation's current standing and future prospects, advocacy of Taiwan independence can only exist among a minority, and cannot form the prevailing wind.

In consideration of human rights and due legal process, we must be cautious in using the label of separatism. We will, however, deal with illegal behavior in accordance with the law. We will certainly deal with any political party or its members in a case where they have performed separatist acts and have been found to be in contravention of the law by the authorities concerned.

Question 4: What problems result from having national and local governments coexisting in the same country?

[Hao] The delineation of the powers and responsibilities of the central and local governments is clearly regulated in the constitution. The government has always been very solicitous of local self-government, and as a result a great number of qualified personnel have been fostered at that level. The government has been constantly improving the financial structure of local governments. This is a concrete example of the emphasis laid upon local self-government.

The problem of the coexistence of central and local governments in the same territory is not serious at the present time. Taking account of urbanization however, the government may establish new special municipalities under the direct jurisdiction of the Executive Yuan in addition to Taiwan and Kaohsiung, thus forming new metropolitan areas. In other words, the territory under jurisdiction of the Taiwan provincial government will possibly shrink. This is solely for the sake of regional development and urban convenience, and not a political consideration to deliberately slash the size of the territory and the scope of the jurisdiction of the provincial government.

I would like to remind you that in addition to Taiwan island, territory now under the control of the ROC includes such areas as Kinmen (Quemoy), Matsu, and Wuchiu in Fukien [Fujian] Province, and the Tungsha (Pratas) islands. Therefore, the actual territory under effective rule of the ROC government far exceeds the scope of Taiwan province.

Question 5: What will be the repercussions for Taiwan of increasing contacts with the mainland?

The impact of increasing contacts across the straits has already been felt in the ROC. Politically, the people of the ROC have gradually lost their awareness of the threat posed by the Chinese Communist regime. That is, the consciousness of enmity is gradually fading among the people. Economically, many Taiwan businessmen have gone to the mainland to invest and set up factories. As time passes, this may make Taiwan's economy dependent on the mainland. In the meantime, these economic and trade exchanges have resulted in the formation of internal pressure groups affecting the formulation of our mainland policy. Frequent exchanges between the two sides of the straits will help the establishment of a consensus on the peaceful reunification of China.

Question 6: What are the main economic problems facing Taiwan in domestic economic planning, and what are the main objectives of your new six-year national development plan?

[Hao] The problems we now face in economic development come mainly from the continuing, massive, long-term trade surplus, which has led to over-expansion of the money supply. This in turn gave rise to the "money game," an upsurge in land prices, labor shortages, and other troubles.

As for how the huge trade surplus came into being, in addition to the relatively greater number of controls on private economic activities in the past, which led to low imports and a diminished willingness to invest, the trade surplus was even more a result of insufficient domestic demand and the low rate of investment, especially in the infrastructure necessary to raise the quality of life. This goes a long way toward explaining the contradiction of a high annual per-capita GNP of 8,000 us dlrs, coupled with an unsatisfying quality of life.

The six-year national development plan is being mapped out on the basis of this developmental background. Its underlying assumptions are maintenance of the principle of liberalization, and expansion of government investment in infrastructure development. It is our hope that through expanding domestic demand, we can on the one hand mitigate the various economic and social development difficulties that have arisen because of the long-term trade surplus, and at the same time take advantage of a rise in income levels and balanced regional development to further raise the quality of economic development.

The six-year national development plan sets the amount of capital to be invested in a number of development projects over the next six years at 8.2 trillion New Taiwan dollars. Its overall objectives are to "rebuild social and economic order and promote balanced development." We predict annual economic growth of seven percent over the next six years, and a rise in per capita gnp from 8,000 us dlrs in 1990 to 14,000 U.S. dollars in 1996, putting the ROC in 20th place worldwide in terms of per capita GNP.

The six-year national development plan will definitely provide many business opportunities in the local market. Abiding by the principles of openness and fairness, we welcome top-rate companies both local and foreign, including French companies, to jointly participate in this huge development project.

#### Trade Minister Comments on Cross-Strait Trade

OW0307084191 Taipei CNA in English 0801 GMT  
3 Jul 91

[Text] Taipei, July 3 (CNA)—There is no timetable for the development of cross-strait trade and economic relations, Economic Affairs Minister Vincent Siew reaffirmed Wednesday.

"Our trade policy towards mainland China is based on the national unification guidelines and progress in cross-straits economic ties will depend on Peking's goodwill responses," Siew explained.

The Minister was responding to the Peking leadership's latest pronouncement of basic principles for promoting economic relations with Taiwan, including calls for direct, reciprocal, diverse, and two-way trade."

Siew said that Peking's Tuesday statement contains nothing new and that his ministry will continue to promote cross-straits trade in accordance with the national unification guidelines.

Direct cross-straits commercial exchanges are a medium-range goal set forth in the guidelines, Siew noted. "As to when cross-straits ties will enter the second stage," he added, "it will depend on Peking's positive responses to our calls for peaceful national unification."

Taipei has terminated the period of communist rebellion, but Peking has not yet abandoned its attempts to use force against Taiwan and to thwart Taipei's efforts to play a more active role in the international community.

Unless Peking shows its good faith and sincerity, Siew emphasized that his ministry is unlikely to consider direct economic ties with the mainland. "National security will always be our top concern in handling cross-straits relations."

According to the latest Peking statistics, cumulative cross-straits trade totaled 15.74 billion U.S. dollars between 1979 and 1990 and grew an average of 43.3 percent annually. More than 2,000 Taiwan-invested ventures have opened on the mainland.

#### **Mainland Becoming Strong Trade Rival**

*OW0207122291 Taipei CNA in English 0823 GMT 2 Jul 91*

[Text] Taipei, July 2 (CNA)—Mainland China is becoming a strong trade rival of Taiwan in US markets, the Council for Economic Planning and Development [CEPD] warned Tuesday.

In order to vie with the mainland in U.S. markets, CEPD said it is vital for Taiwan to accelerate the upgrading of its industrial structure.

According to U.S. custom statistics, mainland China enjoyed a trade surplus of 10.4 billion U.S. dollars with the United States in 1990, second only to Japan, while Taiwan's trade with the United States declined 9.4 percent in 1990.

Mainland trade with the United States grew an average of 10-30 percent in recent years except for last year's 4 percent decline, the statistics showed.

Textile products have been the mainland's top export item to the United States between 1986 and 1990, CEPD reported. Its total export value increased 9.8 percent in

the five-year period while the export amount grew 30 percent. Exports of Taiwan textiles to the United States grew a mere 6.3 percent.

Exports of mainland footwear to the United States increased 13.6-fold to 530 million U.S. dollars in 1990 from 1986's 30 million U.S. dollars while exports of Taiwan footwears suffered a 25.7 percent decline in 1990.

Machinery and electrical appliance have now among the top ten mainland export items to the United States. Exports of similar Taiwan products have declined since 1988; they dropped 28 percent last year.

Taiwan's top ten export items to the United States have remained relatively unchanged but mainland export items have changed from traditional goods to modern industrial products, a sign of increasing threat to Taiwan exports to the United States, CEPD said.

#### **Mainland Urged To Join War Against Crime**

*OW0107130591 Taipei CNA in English 1055 GMT 1 Jul 91*

[Text] Taipei, July 1 (CNA)—Mainland China should work together with Taipei to effectively fight crime, Mainland Affairs Council (MAC) Chairman Huang Kun-hui said over the weekend.

The top official in charge of mainland affairs said authorities on both sides of the Taiwan Straits should sign pacts to institutionalize the handling of smuggling incidents like that involving the Eagle King, a Panamanian registered freighter now under detention in Taiwan.

"Similar accidents will recur," Huang said, so he urged Peking to join Taipei in developing clear procedures to guide the handling of future incidents.

He noted that six mainland Chinese customs officers found on board the Eagle King checking alleged smuggling were quickly repatriated after their roles in the affair had been established; the Eagle King and its five crewmen are still being held for investigation.

The government has been following the principles of equality, mutual benefit, cooperation and good will in handling the Eagle King incident, according to Huang.

Shih Chi-ping, deputy secretary general of the Straits Exchange Foundation (SEF), said SEF plans to exchange views with mainland officials on "legal issues."

Shih will lead a SEF delegation to visit mainland China July 5, but the agenda for the upcoming visit does not call for discussing the establishment of a hotline for combating piracy and smuggling.

"If they (the mainland Chinese) raise the issue, we will present our position and principles," Shih added.



**Military Drives Off 3,200 Mainland Boats**

OW0207091491 Taipei CNA in English 0834 GMT  
2 Jul 91

[Text] Taipei, July 2 (CNA)—Soldiers in Kinmen and Matsu drove back 3,247 mainland Chinese boats after firing at them last month, the Defense Ministry said.

Armed Forces on the off-shore islets facing Fujian Province, mainland China, fired 4,980 machine gun rounds and 1,574 artillery rounds during the 30-day period in order to drive off intruding mainland Chinese ships, the ministry said.

It reiterated the government's determination to expel any mainland vessels trying to intrude into waters near the off-shore islets.

**Legislative Yuan Passes Law on Public Order**

OW3006211791 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT  
29 Jun 91

[Text] After the final reading, the Legislation Yuan passed the Law on Maintaining Public Order on 29 June, thereby completing the legislative procedures of the law, which had been deliberated at 10 committee meetings and debated at length during 12 Legislative Yuan interpellation sessions since 1988, a period during which the domestic political and economic environment went through major changes. In the meantime, at the initiative of the legislators, the Law for the Punishment of Police Offenses, which had been in effect for 48 years, was abolished, after the second reading.

Following lengthy debates and consultations with governmental and nongovernmental circles, the Legislative Yuan made the following changes in the provisions of

the Law on Maintaining Public Order, which was originally drafted by the Executive Yuan: reducing the number of days of detention from seven or five and under to three and under, and changing three and under to an imposition of fines; eliminating police power on Sundays; and transferring all violators to the district courts (for handling). In addition, the power of the police to interrogate and investigate violators of the law was also eliminated; and militarymen who violate the law shall be handled by the police, instead of military authorities as the original draft law provided. In this way, the personal freedoms and rights stipulated in the Constitution are guaranteed.

**Opposition to Transferring Control Over CNA**

OW0207075891 Taipei Voice of Free China  
in English 0200 GMT 1 Jul 91

[Text] Sources at the Legislative Yuan Saturday said the Kuomintang [KMT] Central Discipline Committee is considering censoring Chou Chuan, the journalist-turned-legislator. Chou has put strong opposition in recent Legislative Yuan sessions to a cabinet bill proposing the transmission of the KMT-run Central News Agency [CNA] into a government-funded institution under the supervision of the Government Information Office, or GIO.

Chou has insisted that CNA be transformed into independent nonpartisan organization under the direct supervision of the Executive Yuan. Chou challenged GIO's Director General Shao Yu-ming in several Legislative Yuan question-and-answer sessions. She even accused Shao of intending to, quote, control, unquote, news reporting by placing CNA under GIO's supervision.

Some of Chou's KMT colleagues have told the KMT Central Discipline Committee that Chou's opposition to the bill has violated the government's policy.

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5 JULY 1991

